

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Bonds as described herein. See "TAX MATTERS."

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2 In the City and County of Broomfield, Colorado

\$11,045,000
General Obligation Bonds
(Limited Tax Convertible to Unlimited Tax)
Series 2016A

\$1,555,000
Subordinate General Obligation
Limited Tax Bonds
Series 2016B

Dated: Date of Delivery

Due: December 1, 2046 (Series 2016A Senior Bonds)
December 15, 2046 (Series 2016B Subordinate Bonds)

The Series 2016A Senior Bonds are general obligations (limited tax convertible to unlimited tax) of the District secured by and payable from the following sources, net of any costs of collection (the "Senior Pledged Revenue"): (i) the Senior Required Mill Levy; (ii) Capital Fees, if any; (iii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; and (iv) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue. The Series 2016A Senior Bonds are also secured by amounts on deposit in the Senior Reserve Fund and amounts, if any, accumulated in the Senior Surplus Fund. See "THE SERIES 2016A SENIOR BONDS" herein for information regarding the Series 2016A Senior Bonds and see "THE SERIES 2016A SENIOR BONDS—Security for the Series 2016A Senior Bonds" for a description of the various components of the Senior Pledged Revenue. Capitalized terms used on the cover page of this Limited Offering Memorandum are defined in the Introduction herein.

The Series 2016B Subordinate Bonds are limited tax general obligations of the District secured by and payable from the following sources, net of any costs of collection (the "Subordinate Pledged Revenue"): (a) the Subordinate Required Mill Levy; (b) the Subordinate Capital Fee Revenue, if any; (c) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Subordinate Required Mill Levy; (d) the amounts, if any, in the Senior Surplus Fund after the termination of such fund pursuant to the Senior Indenture; and (e) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue. See "THE SERIES 2016B SUBORDINATE BONDS" herein for information regarding the Series 2016B Subordinate Bonds and see "THE SERIES 2016B SUBORDINATE BONDS—Cash Flow Nature of Series 2016B Subordinate Bonds and"—Security for the Series 2016B Subordinate Bonds" for a description of the "cash-flow" nature of the Series 2016B Subordinate Bonds and the various components of the Subordinate Pledged Revenue. **Notwithstanding anything in the Subordinate Indenture to the contrary, all of the Series 2016B Subordinate Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on December 16, 2056 (the "Subordinate Bond Termination Date"), regardless of the amount of principal and interest paid prior to the Subordinate Bond Termination Date.**

The Bonds are being issued in denominations of \$500,000 or any integral multiple of \$1,000 in excess thereof as fully registered bonds. Interest on the Series 2016A Senior Bonds is payable semiannually on June 1 and December 1 each year, commencing December 1, 2016, at the rate set forth below. Interest on the Series 2016B Subordinate Bonds is payable annually on December 15 each year to the extent of Subordinate Pledged Revenue available therefor, commencing December 15, 2016, at the rate set forth below.

\$1,165,000 4.000% Series 2016A Senior Term Bond due December 1, 2026 Price 100.000% CUSIP 39142S AA3^{1,⊙}
\$9,880,000 5.000% Series 2016A Senior Term Bond due December 1, 2046 Price 102.392%² CUSIP 39142S AB1^{1,⊙}
\$1,555,000 7.250% Series 2016B Subordinate Term Bond due December 15, 2046 Price 100.000% CUSIP 39142S AC9^{1,⊙}

The Bonds are being issued pursuant to two separate Indentures of Trust to be dated as of the date of issuance of the Bonds between the District and UMB Bank, n.a., Denver, Colorado, as trustee. The Trustee will also act as Registrar and Paying Agent for the Bonds, and DTC will act as securities depository for the Bonds. The Bonds will be issued in book-entry-only form, and purchasers of the Bonds will not receive certificates evidencing their ownership interests in the Bonds.

The Series 2016A Senior Bonds are subject to optional and mandatory sinking fund redemption and the Series 2016B Subordinate Bonds are subject to optional and mandatory redemption prior to maturity at the prices and upon the terms set forth herein.

Proceeds from the sale of the Bonds will be used for the purposes of (i) funding and reimbursing a portion of the costs of certain public infrastructure, (ii) paying the costs of issuance of the Bonds and, (iii) with respect to the Series 2016A Senior Bonds only (a) funding the Senior Reserve Fund and (b) funding a portion of interest to accrue on the Series 2016A Senior Bonds.

REPAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS IS SUBJECT TO A HIGH DEGREE OF INVESTMENT RISK. THE BONDS ARE BEING OFFERED AND SOLD ONLY TO "FINANCIAL INSTITUTIONS AND INSTITUTIONAL INVESTORS" WITHIN THE MEANING OF SECTION 32-1-1101(6)(a)(IV), C.R.S.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Prospective purchasers of the Bonds must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision. Each prospective investor should read this entire Limited Offering Memorandum and should give particular attention to the section entitled "RISK FACTORS."

The Bonds are offered when, as and if issued by the District, subject to prior sale, withdrawal or modification of the offer without notice and subject to the approval of legality by Sherman & Howard L.L.C., Denver, Colorado, as Bond Counsel, and certain other conditions. Certain matters will be passed upon by McGeedy Becher P.C., Denver, Colorado, as General Counsel to the District. Kutak Rock LLP, Denver, Colorado, as Counsel to the Underwriter, has assisted in the preparation of this Limited Offering Memorandum. The Bonds are expected to be available for delivery through the facilities of DTC on or about July 26, 2016.



D | A | DAVIDSON
D.A. Davidson & Co. member SIPC

This Limited Offering Memorandum is dated July 19, 2016.

¹ The District takes no responsibility for the accuracy of CUSIP numbers, which are included solely for the convenience of owners of the Bonds.

² Priced to an assumed call date of December 1, 2024

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GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2
(In the City and County of Broomfield)

Board of Directors

Charles C. McKay, President
Gregg A. Bradbury, Treasurer
Jeffrey L. Nading, Assistant Secretary
John Stuart Horsfall, Assistant Secretary
Vacancy

General Counsel to the District

McGeady Becher P.C.
Denver, Colorado

Bond Counsel

Sherman & Howard L.L.C.
Denver, Colorado

Trustee and Paying Agent

UMB Bank, n.a.
Denver, Colorado

Underwriter

D.A. Davidson & Co.
Denver, Colorado

Counsel to Underwriter

Kutak Rock LLP
Denver, Colorado

No dealer, salesman or other person has been authorized to give any information or to make any representation, other than the information contained in this Limited Offering Memorandum, in connection with the offering of the Bonds, and, if given or made, such information or representation must not be relied upon as having been authorized by the District or the Underwriter. The information in this Limited Offering Memorandum is subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Limited Offering Memorandum does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. The Underwriter has provided the following sentence for inclusion within this Limited Offering Memorandum. The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Investors must be willing and able to conduct an independent investigation of the risks attendant to ownership of the Bonds, including their own evaluation of the prospects for development within the District. Neither the contents of this Limited Offering Memorandum nor any prior or subsequent communications from the District or any of its officers, directors, employees or agents constitute legal, tax, accounting or regulatory advice. Before purchasing, prospective investors should consult with their own legal counsel and business and tax advisors to determine the consequences of an investment in the Bonds and should make an independent evaluation of the investment.

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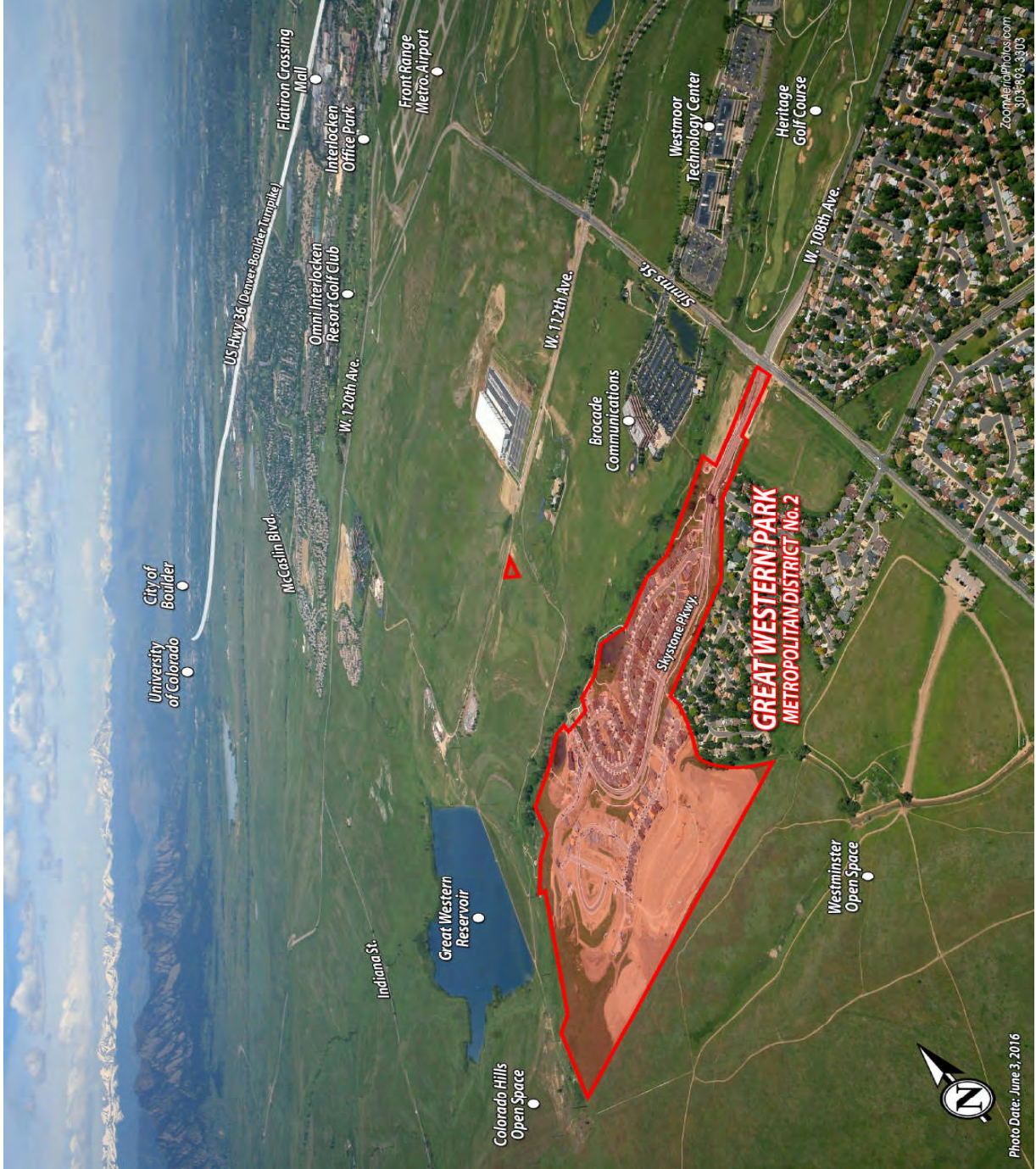
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Neither the Securities and Exchange Commission nor any securities regulatory authority of any state has approved or disapproved the Bonds or this Limited Offering Memorandum. Any representation to the contrary is unlawful.

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AERIAL MAP



DEVELOPMENT SITE PLAN



REGIONAL MAP



**District
Vicinity**

INTRODUCTION

This Limited Offering Memorandum is furnished to prospective purchasers of \$11,045,000 General Obligation Limited Tax Bonds, Series 2016A (the “Series 2016A Senior Bonds”) and \$1,555,000 Subordinate General Obligation Limited Tax Bonds, Series 2016B (the “Series 2016B Subordinate Bonds”) and, together with the Series 2016A Senior Bonds, collectively, the “Bonds”), issued by Great Western Park Metropolitan District No. 2 the (“District”), located in the City and County of Broomfield (“Broomfield”), Colorado (the “State”). The offering of the Bonds is made only by way of this Limited Offering Memorandum, which supersedes any other information or materials used in connection with the offer or sale of the Bonds. This Limited Offering Memorandum speaks only as of its date, and the information contained herein is subject to change.

NOTICE: While a single Limited Offering Memorandum is being used in connection with the offer and sale of the Series 2016A Senior Bonds and the Series 2016B Subordinate Bonds, such series of Bonds are secured by two separate Indentures (the Senior Indenture and the Subordinate Indenture, respectively) and two separate sets of revenue available to the District (the Senior Pledged Revenue and the Subordinate Pledged Revenue, respectively), all as more particularly described herein. The use of a single Limited Offering Memorandum does not imply that the Owners of the Series 2016A Senior Bonds and Owners of the Series 2016B Subordinate Bonds are secured by the same revenue sources, funds or covenants. The Owners of the Series 2016A Senior Bonds and the Owners of the Series 2016B Subordinate Bonds are afforded different rights under the Senior Indenture and the Subordinate Indenture, respectively. Potential purchasers of the Bonds are cautioned to review carefully the provisions herein describing the Senior Indenture and the Subordinate Indenture as applicable to the Bonds to be purchased.

The information set forth in this Limited Offering Memorandum has been obtained from the District, Taylor Morrison (defined hereafter), the Original Landowner (defined hereafter) and from other sources believed to be reliable but is not guaranteed as to accuracy or completeness. This Limited Offering Memorandum, including the appendices hereto, contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized. See “FORWARD-LOOKING STATEMENTS” and “RISK FACTORS.”

Capitalized terms not defined within the body of this Limited Offering Memorandum have the respective meanings set forth in APPENDIX B hereto, unless the context clearly indicates a contrary meaning.

The following introductory material is only a brief description of, and is qualified by, the more complete information contained throughout this Limited Offering Memorandum. A full review should be made of the entire Limited Offering Memorandum and the documents summarized or described herein.

The District.....On August 28, 2001, Broomfield approved a Service Plan (the “Original Service Plan”) for the 166-acre Great Western Park Metropolitan District (the “Original District”). Development within the Original District did not occur as anticipated, and in 2008 the Original District submitted a First Modification to Original Service Plan to Broomfield reflecting, among other things, a change in the plan of development, modifications to the boundaries of the Original District and the change of the name of the Original District to Great Western Park Metropolitan District No. 3 (“District No. 3”). At the same time, separate service plans were submitted to Broomfield for Great Western Park Metropolitan District No. 1 (“District No. 1”) and Great Western Park Metropolitan District

No. 2 (the “District” and, together with District No. 1 and District No. 3, collectively, the “Districts”). The Districts were organized as part of a common plan to serve the approximately 240-acre master planned Great Western Park development (“Great Western”) located in the southwestern portion of Broomfield. The District, comprised of approximately 168 acres, represents the residential component of Great Western and District No. 3, comprised of approximately 79 acres, represents the commercial component of Great Western. Property within the District is being developed as an age-restricted residential development known as Skyestone which is planned to include approximately 518 single family residential units, including patio homes and cluster homes, as more particularly described below (the “Development” or “Skyestone”). See “THE DISTRICT”. See also “AERIAL MAP,” “DEVELOPMENT SITE PLAN” and “REGIONAL MAP.”

The creation of the District was approved by the eligible electors of the District voting at an election held on November 4, 2008 (the “2008 Election”). The Order and Decree Creating District was recorded by the County District Court on December 17, 2008, with an Order Amending Order and Decree to Correct Error in District Legal Description recorded by the County District Court on March 31, 2009.

The District operates in accordance with the authority, and subject to the limitations, of a service plan for the District approved by Broomfield on September 9, 2008 (the “Service Plan”). Pursuant to the Service Plan and Title 32, Article 1, et seq., Colorado Revised Statutes, as amended (“C.R.S”), the District is authorized to provide a part or all of the public improvements, including the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of water, sewer, street, safety protection, parks and recreation, transportation, television relay and translation facilities, mosquito control and limited fire protection services within and without the boundaries of the District to serve the future taxpayers and inhabitants of the District pursuant to the District’s Service Plan and the Special District Act (collectively, the “Public Improvements”). The District is to dedicate the completed Public Improvements to Broomfield, the North Metro Fire Protection District (the “Fire District”) or other appropriate jurisdiction for ongoing operations and maintenance.

The District is a party to certain agreements with the Original Landowner (defined below) pursuant to which the Original Landowner is to make advances to the District for the purpose of funding costs of Public Improvements and ongoing operations and maintenance expenses, to the extent the District has insufficient revenue for payment thereof. The District is obligated to reimburse the Original Landowner for such advances, subject to the limitations set forth therein. See “THE DISTRICT—District Agreements.”

Assessed Valuation of the DistrictThe 2015 certified assessed valuation of the property within the District was \$2,968,340. See “DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Taxes” and “THE DISTRICT.”

The Original Landowner, and Taylor Morrison.....Property within the Districts was originally purchased by Great Western Park, LLC, a Colorado limited liability company, or affiliated entities (the “Original Landowner”). The Original Landowner originally completed the planned unit development and platting process for an age-restricted residential community on the property located within the District to be known as “Lantana.” Prior to any construction activity occurring within Lantana, the Original Landowner sold the property within the District to Taylor Morrison of Colorado, Inc., a Colorado corporation (“Taylor Morrison”). Taylor Morrison changed the name of the proposed development to “Skyestone” and is proceeding with the site development, including site planning and engineering, the provision of the requisite public and private infrastructure, and the construction of homes within the Development. See “THE DEVELOPMENT—Taylor Morrison.”

The Development is being developed as an entirely residential community on approximately 168 acres, currently approved for 519 residential units, a community center, pedestrian trails and open space. Taylor Morrison expects that once all replatting is finished, the Development will actually include 518 homes. As of June 15, 2016, 327 homes have been platted, 131 homes have been purchased and closed to homeowners, 51 homes were under contract for purchase by homeowners, with an additional 336 lots remaining in inventory, on which 6 model homes have been constructed. See “THE DEVELOPMENT.” See also “AERIAL MAP,” “DEVELOPMENT SITE PLAN” and “REGIONAL MAP.”

The Market Study The District retained Metrostudy, Greenwood Village, Colorado (the “Market Consultant”) to prepare a Market Study dated as of May 9, 2016 (the “Market Study”). The Market Study contains an assessment of the feasibility of the planned development, including product mix, product pricing and projected annual absorption. The Market Study is attached hereto as APPENDIX C and should be read in its entirety by prospective purchasers of the Bonds. See also “RISK FACTORS—Risks Inherent in Financial Forecasts and Market Study” and “THE DEVELOPMENT—Market Study.”

Authority for Issuance.....The Bonds are issued in full conformity with the constitution and laws of the State of Colorado (the “State”), including Part 2 of Article 57 of Title 11, C.R.S. (the “Supplemental Public Securities Act”), and Title 32, Article 1, Part 11, C.R.S. (the “Special District Act”); pursuant to the Senior Bond Resolution and the Subordinate Bond Resolution adopted by the District’s Board of Directors (the “Board”) prior to the issuance of the Bonds; two separate Indentures of Trust (with respect to the Series 2016A Senior Bonds, the “Senior Indenture” and, with respect to the Series 2016B Subordinate Bonds, the “Subordinate Indenture”) each to

be dated as of the date of issuance of the Bonds and each between the District and UMB Bank, n.a., as trustee for the Bonds, respectively (the “Trustee”); and pursuant to the District’s election held on November 6, 2012 (the “2012 Election”). The Senior Indenture and the Subordinate Indenture are collectively referred to herein as the “Indentures.”

At the District’s election held on November 4, 2008 (the “2008 Election”) and the 2012 Election, respectively (collectively, the “Elections”), the District’s qualified electors voting at such Elections approved indebtedness in the total amount of \$113,400,000 for the purpose of financing the costs of acquiring, constructing, relocating, installing, completing and otherwise providing Public Improvements. The Service Plan establishes the District’s debt limit as \$12,600,000 (the “Debt Authority”). See “DEBT STRUCTURE—Debt Restrictions—*Voter Authorized but Unissued Debt*” and —*Service Plan Debt Limit*.”

**Security and Sources of
Payment for Series 2016A
Senior Bonds.....**

The Series 2016A Senior Bonds are general obligations (limited tax convertible to unlimited tax) of the District secured by and payable from the following sources, net of any costs of collection (the “Senior Pledged Revenue”): (i) the Senior Required Mill Levy; (ii) Capital Fees, if any; (iii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; and (iv) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

The Series 2016A Senior Bonds are also secured by amounts on deposit in the Senior Reserve Fund, which is to be funded from proceeds of the Series 2016A Senior Bonds in an amount equal to \$871,750 (the “Required Reserve”).

In addition, excess Senior Pledged Revenue, if any, accumulated in the Senior Surplus Fund also secures the payment of the Series 2016A Senior Bonds. Available Senior Pledged Revenue, if any, is to be accumulated in the Senior Surplus Fund in accordance with the Senior Indenture up to the “Maximum Surplus Amount” of \$1,104,500.

While Capital Fees, if any, are pledged to Series 2016A Senior Bonds, no Capital Fees are presently imposed by the District.

Senior Required Mill Levy. Pursuant to the Senior Indenture, the District has covenanted to levy on all of the taxable property of the District the “Senior Required Mill Levy,” generally described below.

Prior to the Conversion Date, the Senior Indenture provides that the District is to levy an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount sufficient, when combined with other legally available moneys in the Senior Bond Fund (not including the Senior Reserve Fund or the

Senior Surplus Fund), to pay the principal of, premium if any, and interest on the Series 2016A Senior Bonds as the same become due and payable and to fund the Senior Reserve Fund up to the Senior Required Reserve, but not in excess of 42.827 mills less the number of mills necessary to pay unlimited mill levy debt, and for so long as the Surplus Fund is less than the Maximum Surplus Amount, not less than 42.827 mills less the number of mills necessary to pay unlimited mill levy debt, or such lesser mill levy which, when combined with other Senior Pledged Revenue legally available in the Senior Bond Fund, will permit the District to fully fund the Senior Bond Fund for the next Bond Year and pay the Series 2016A Senior Bonds as they come due, to fund the Senior Reserve Fund up to the Senior Required Reserve, and to fund the Senior Surplus Fund up to the Maximum Surplus Amount; provided that if there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy limitation applicable to such debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after the date of issuance of the Bonds, are neither diminished nor enhanced as a result of such changes.

On and after the Conversion Date, the Senior Indenture provides that the District is to levy an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal of, premium if any, and interest on the Series 2016A Senior Bonds as the same become due and payable, without limitation of rate and in amounts sufficient to make such payments when due.

The Senior Indenture further provides that, notwithstanding the foregoing, in no event may the Senior Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Senior Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Senior Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

See "THE SERIES 2016A SENIOR BONDS—Security for the Series 2016A Senior Bonds," "DISTRICT FINANCIAL INFORMATION," and "APPENDIX A—PROJECTED STATEMENT OF SOURCES AND USES OF CASH."

THE SERIES 2016A SENIOR BONDS ARE SOLELY THE OBLIGATIONS OF THE DISTRICT. UNDER NO CIRCUMSTANCES SHALL ANY OF THE SERIES 2016A SENIOR BONDS BE CONSIDERED OR HELD TO BE AN INDEBTEDNESS, OBLIGATION OR LIABILITY OF BROOMFIELD, THE STATE OF COLORADO OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE DISTRICT.

**Security and Sources of
Payment for Series 2016B
Subordinate Bonds**

The Series 2016B Subordinate Bonds are limited tax general obligations of the District secured by and payable from the following sources, net of any costs of collection (collectively, the “Subordinate Pledged Revenue”): (a) the Subordinate Required Mill Levy; (b) the Subordinate Capital Fee Revenue, if any; (c) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Subordinate Required Mill Levy; (d) the amounts, if any, in the Senior Surplus Fund after the termination of such fund pursuant to the Senior Indenture; and (e) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

While Subordinate Capital Fee Revenue, if any, is pledged to Series 2016B Subordinate Bonds, no Capital Fees are presently imposed by the District and thus there is currently no Subordinate Capital Fee Revenue.

Subordinate Required Mill Levy. Pursuant to the Subordinate Indenture, the District has covenanted to levy on all of the taxable property of the District the “Subordinate Required Mill Levy,” generally meaning an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in the amount of (i) 42.827 mills less the amount of the Senior Required Mill Levy and the number of mills necessary to pay unlimited mill levy debt, or (ii) such lesser mill levy which, after deduction of the Senior Required Mill Levy and the number of mills necessary to pay unlimited mill levy debt, and when combined with other Subordinate Pledged Revenue legally available in the Subordinate Bond Fund, will permit the District to fully fund the Subordinate Bond Fund for the next Bond Year and pay all of the principal of and interest on the Series 2016B Subordinate Bonds in full; provided that if there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy limitation applicable to such debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after the issuance of the Series 2016B Subordinate Bonds, are neither diminished nor enhanced as a result of such changes. The Subordinate Indenture states that it is the intent that if the amount of the Senior Required Mill Levy and the number of mills necessary to pay unlimited mill levy debt equals or exceeds 42.827 mills in any year, adjusted for changes in law as aforesaid, the Subordinate Required Mill Levy for that year shall be zero.

Notwithstanding the foregoing, the Indenture provides that in no event may the Subordinate Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District’s electoral authorization, and if the Subordinate Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in

any year to exceed the maximum tax increase permitted by the District’s electoral authorization, the Subordinate Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

Notwithstanding anything in the Subordinate Indenture to the contrary, all of the Series 2016B Subordinate Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on December 16, 2056 (the “Subordinate Bond Termination Date”), and no further payments will be due on the Bonds, regardless of the amount of principal and interest paid prior to the Subordinate Bond Termination Date; provided however, that the foregoing is not to relieve the District of the obligation to impose the Subordinate Required Mill Levy each year prior to the Subordinate Bond Termination Date and apply the Subordinate Pledged Revenue in the manner required in the Subordinate Indenture.

THE SERIES 2016B SUBORDINATE BONDS ARE SOLELY THE OBLIGATIONS OF THE DISTRICT. UNDER NO CIRCUMSTANCES SHALL ANY OF THE SERIES 2016B SUBORDINATE BONDS BE CONSIDERED OR HELD TO BE AN INDEBTEDNESS, OBLIGATION OR LIABILITY OF BROOMFIELD, THE STATE OF COLORADO OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE DISTRICT.

Additional BondsThe District covenants for the benefit of the Owners of the Series 2016A Senior Bonds and the Owners of the Series 2016B Subordinate Bonds not to issue Additional Bonds (as defined in the Indentures) except as specifically permitted in the Senior Indenture and the Subordinate Indenture, respectively. The Senior Indenture and the Subordinate Indenture impose different limitations on the issuance of Additional Bonds. Owners of the Series 2016A Senior Bonds will only be permitted to enforce such limitations set forth in the Senior Indenture, and Owners of the Series 2016B Subordinate Bonds will only be permitted to enforce such limitations set forth in the Subordinate Indenture. See “THE SERIES 2016A SENIOR BONDS—Certain Senior Indenture Provisions—*Additional Bonds*” and “THE SERIES 2016B SUBORDINATE BONDS—Certain Subordinate Indenture Provisions—*Additional Bonds*.” See also “DISTRICT FINANCIAL INFORMATION” and “APPENDIX A—PROJECTED STATEMENT OF SOURCES AND USES OF CASH.”

PurposeProceeds from the sale of the Series 2016A Senior Bonds will be used for the purpose of (a) paying or reimbursing a portion of the Project Costs; (b) funding capitalized interest for payment of interest to accrue on the Series 2016A Senior Bonds; (c) funding the Senior Reserve Fund; and (d) paying the costs of issuance of the Series 2016A Senior Bonds.

Proceeds from the sale of the Series 2016B Subordinate Bonds will be used for the purpose of (a) paying or reimbursing a portion of the Project Costs and (b) paying the costs of issuance of the Series 2016B Subordinate Bonds.

**Subordinate
Lien of Series 2016B
Subordinate Bonds**

The Series 2016A Senior Bonds constitute Senior Bonds and the Series 2016B Subordinate Bonds constitute Subordinate Bonds under the Indentures. Accordingly, to the extent any revenues are pledged under the Indentures to both the Series 2016A Senior Bonds and the Series 2016B Subordinate Bonds, the lien thereon of the Series 2016B Subordinate Bonds is junior and subordinate in all respects to the lien of the Series 2016A Senior Bonds and any other Senior Bonds issued in the future.

The District has pledged to impose a Subordinate Required Mill Levy for the payment of the Series 2016B Subordinate Bonds in an amount equal to 42.827 mills *less* the Senior Required Mill Levy and the number of mills necessary to pay unlimited mill levy debt of the District. Therefore, if the Senior Required Mill Levy and the number of mills necessary to pay unlimited mill levy debt of the District equals or exceeds 42.827 mills in any year (as adjusted for changes in law, if any), the Subordinate Required Mill Levy for that year shall be zero.

See also “THE SERIES 2016B SUBORDINATE BONDS—Security for the Series 2016B Subordinate Bonds.”

**“Cash flow” Nature of
Series 2016B Subordinate
Bonds**

The Series 2016B Subordinate Bonds are structured as “cash flow” bonds, meaning that there are no scheduled payments of principal thereof prior to the final maturity date. Rather, principal on the Series 2016B Subordinate Bonds is payable on the earliest practicable date following each November 15 (anticipated to occur, if at all, annually on December 15) from, and to the extent of, Subordinate Pledged Revenue available therefor, if any, in accordance with the terms of the Subordinate Indenture, pursuant to a special mandatory redemption more particularly described in “THE SERIES 2016B SUBORDINATE BONDS—Redemption—*Mandatory Redemption*” and “—Certain Subordinate Indenture Provisions—*Subordinate Bond Fund; Mandatory Redemption*.” Furthermore, accrued unpaid interest on the Series 2016B Subordinate Bonds will compound annually on each December 15. See also the Financial Forecast, described below.

Financial Forecast

Simmons & Wheeler, P.C., Centennial, Colorado has prepared the cash flow projection schedules presented in APPENDIX A hereto (the “Financial Forecast”) for the District’s Board of Directors (the “Board”), for the purpose of providing information regarding the District’s ability to make the annual debt service payments on the Bonds. Such Financial Forecast is based upon the Market Study and the assumptions more particularly provided therein. See “FORWARD-LOOKING STATEMENTS,” “RISK FACTORS—Risks Inherent in Financial Forecasts” and “APPENDIX A—PROJECTED STATEMENT OF SOURCES AND USES OF CASH.”

Interest Rates; Payment

Provisions; Record Date.....The Bonds will bear interest at the rates per annum set forth on the front cover hereof (computed on the basis of a 360-day year of twelve 30-day months). Interest on the Series 2016A Senior Bonds is payable semiannually on June 1 and December 1 each year, commencing December 1, 2016. Interest on the Series 2016B Subordinate Bonds is payable annually on December 15 each year to the extent of Subordinate Pledged Revenue available therefor, commencing December 15, 2016. Payments for the principal of and interest on the Bonds will be made as described in “APPENDIX E—BOOK-ENTRY-ONLY SYSTEM.”

The record date, with respect to each interest payment date, means, with respect to the Series 2016A Senior Bonds, the fifteenth (15th) day of the calendar month next preceding each interest payment date, and, with respect to the Series 2016B Subordinate Bonds, the last day of the calendar month next preceding each interest payment date. To the extent principal of any Bond is not paid when due, such principal shall remain Outstanding until paid and shall continue to bear interest at the rate then borne by the Bond. To the extent interest on any Bond is not paid when due, such interest shall compound on each interest payment date (each June 1 and December 1, with respect to the Series 2016A Senior Bonds, and each December 15, with respect to the Series 2016B Subordinate Bonds), at the rate then borne by the Bond. Notwithstanding anything in the Subordinate Indenture to the contrary, all of the Series 2016B Subordinate Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on the Subordinate Bond Termination Date, regardless of the amount of principal and interest paid prior to that date. See “THE SERIES 2016A SENIOR BONDS—Payment of Principal and Interest.”

Exchange and TransferWhile the Bonds remain in book-entry-only form, transfer of ownership by Beneficial Owners (as defined by the rules of DTC, defined below) may be made as described under the caption “APPENDIX E—BOOK-ENTRY-ONLY SYSTEM.”

Book-Entry-Only

RegistrationThe Bonds will be issued in fully registered form and will be registered initially in the name of “Cede & Co.” as nominee for The Depository Trust Company, New York, New York (“DTC”), a securities depository. Beneficial ownership interests in the Bonds may be acquired in principal denominations of \$500,000 or integral multiples \$1,000 in excess thereof through participants in the DTC system (the “Participants”). Such beneficial ownership interests will be recorded in the records of the Participants. Persons for whom Participants acquire interests in the Bonds (the “Beneficial Owners”) will not receive certificates evidencing their interests in the Bonds so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. So long as DTC or its nominee is the registered owner of the Bonds, payments of principal, premium, if any, and interest on the Bonds, as well as notices and other communications made by or on behalf of the District pursuant to the Indentures, will be made to DTC or its nominee

only. Disbursement of such payments, notices, and other communications by DTC to Participants, and by Participants to the Beneficial Owners, is the responsibility of DTC and the Participants pursuant to rules and procedures established by such entities. See “APPENDIX E—BOOK-ENTRY-ONLY SYSTEM” for a discussion of the operating procedures of the DTC system with respect to payments, registration, transfers, notices, and other matters.

Prior Redemption.....The Series 2016A Senior Bonds are subject to optional and mandatory sinking fund redemption as described in “THE SERIES 2016A SENIOR BONDS—Redemption” and the Series 2016B Subordinate Bonds are subject to optional and mandatory redemption as described in “THE SERIES 2016B SUBORDINATE BONDS—Redemption” and —Certain Subordinate Indenture Provisions—*Series 2016B Subordinate Bond Fund; Mandatory Redemption.*”

Tax StatusIn the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the “Tax Code”), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the “adjusted current earnings” adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Bonds as described herein. See “TAX MATTERS.”

Continuing Disclosure ObligationD.A. Davidson & Co. (the “Underwriter”) has determined that the Bonds are exempt from the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12). The District has, however, agreed to provide certain information to the Trustee on a quarterly basis and, as to certain other information, on an annual basis, which the Trustee will subsequently provide to the MSRB (in an electronic format as prescribed by the MSRB). A form of the Continuing Disclosure Agreement setting forth such obligations is attached as APPENDIX F to this Limited Offering Memorandum.

Financial StatementsDue to the District’s limited financial activity to date, no audited financial information is available for inclusion herein. In accordance with Title 29, Article 1, Part 6, C.R.S., an annual audit is required to be made of the District’s financial statements at the end of the fiscal year unless an exemption from audit has been granted by the State Auditor’s Office. The exemption from audit for the fiscal year ended December 31, 2015 was timely filed with the State Auditor.

Offering and Delivery

Information.....The offering of the Bonds is being made to a limited number of knowledgeable and experienced investors who are not purchasing with a view to distributing the Bonds. Each purchaser must be a “financial institution or institutional investor” as defined in Section 32-1-103(6.5), C.R.S. The Bonds are offered when, as, and if issued by the District and accepted by Underwriter, subject to prior sale and the approving legal opinion of Bond Counsel. It is expected that the Bonds will be available for delivery on or about July 26, 2016, against payment therefor.

Additional InformationALL OF THE SUMMARIES OF THE STATUTES, RESOLUTIONS, OPINIONS, CONTRACTS, AND AGREEMENTS DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM ARE SUBJECT TO THE ACTUAL PROVISIONS OF SUCH DOCUMENTS. The summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are either publicly available or available upon request and the payment of a reasonable copying, mailing, and handling charge from: Great Western Park Metropolitan District No. 2, c/o McGeady Becher P.C., 450 East 17th Avenue, Suite 400, Denver, Colorado 80203, Telephone: (303) 592-4380; or D.A. Davidson & Co., 1550 Market Street, Suite 300, Denver, Colorado 80202, Telephone: (303) 764-5768.

Debt Ratios The following are selected District general obligation debt ratios upon issuance and delivery of the Bonds.

2015 Certified Assessed Valuation ¹	\$2,968,340
2015 Statutory “Actual” Valuation ¹	\$33,571,790
General Obligation Debt Outstanding Upon Issuance of the Bonds	\$12,600,000
Estimated Population ²	262
District Debt as a Ratio of:	
2015 Assessed Valuation ¹	424.48%
2015 Statutory “Actual” Valuation ¹	37.53%
District Debt Per Capita	\$48,092
Estimated Overlapping General Obligation Debt ¹	\$228,490
Sum of District and Overlapping Debt.....	\$12,828,490
District and Overlapping Debt as a Ratio of:	
2015 Assessed Valuation	432.18%
2015 Statutory “Actual” Valuation.....	38.21%
District and Overlapping Debt Per Capita.....	\$48,964

¹ For definitions of and descriptions of the methodology used in computing assessed valuation, statutory “actual” value, general obligation debt outstanding, and estimated overlapping general obligation debt, see “DISTRICT FINANCIAL INFORMATION” and “DEBT STRUCTURE—General Obligation Debt.”

² Population estimate based on the number of owner-occupied homes in the District (131) multiplied by 2.0, the average persons per household in age-restricted communities.

Sources: Broomfield County Assessor’s Office, the District, and individual overlapping entities

FORWARD-LOOKING STATEMENTS

This Limited Offering Memorandum, and particularly the information contained under the headings entitled “INTRODUCTION,” “RISK FACTORS,” “THE DISTRICT,” “THE DEVELOPMENT,” “APPENDIX A—PROJECTED STATEMENT OF SOURCES AND USES OF CASH” (such report being referred to herein as the “Financial Forecast”), and in “APPENDIX C—MARKET STUDY” contain statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Limited Offering Memorandum, the words “estimate,” “forecast,” “intend,” “expect,” “projected” and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any projection is subject to such uncertainties. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances will occur. Therefore, it can be expected that there will be differences between projections and actual results, and those differences may be material. For a discussion of certain of such risks and possible variations in results, see “RISK FACTORS.”

RISK FACTORS

PROSPECTIVE INVESTORS IN THE BONDS SHOULD READ THIS ENTIRE LIMITED OFFERING MEMORANDUM AND SHOULD GIVE PARTICULAR CONSIDERATION TO THE FOLLOWING RISK FACTORS IN CONNECTION WITH THE PURCHASE OF THE BONDS.

Each prospective investor is urged to consult with its own legal, tax, and financial advisors to determine whether an investment in the Bonds is appropriate in light of its individual legal, tax and financial situation.

General

The purchase of the Bonds involves certain risk factors, which are discussed throughout this Limited Offering Memorandum, and each prospective investor should make an independent evaluation of all information presented in this Limited Offering Memorandum in order to make an informed investment decision. The Bonds should only be purchased by investors who can bear the continuing risk of an investment in the Bonds. Particular attention should be given to the risk factors described below, which, among others, could affect the payment of debt service on the Bonds when due.

Limited Offering; Restrictions on Purchase; Investor Suitability

The offering of the Bonds is being made to a limited number of knowledgeable and experienced investors who are not purchasing with a view to distributing the Bonds. Each purchaser must be a “financial institution or institutional investor” within the meaning of Section 32-1-103(6.5), C.R.S. Moreover, the Bonds are being issued in minimum initial denominations of \$500,000.

The foregoing standards are minimum requirements for prospective purchasers of the Bonds. The satisfaction of such standards does not necessarily mean that the Bonds are a suitable investment for a prospective investor. Accordingly, each prospective investor is urged to consult with its own legal, tax and financial advisors to determine whether an investment in the Bonds is appropriate in light of its individual legal, tax and financial situation.

No Credit Rating; Risk of Investment

The Bonds do not have a credit rating from any source and are not suitable investments for all investors. Each prospective purchaser is responsible for assessing the merits and risks of an investment in the Bonds and must be able to bear the economic risk of such investment in the Bonds. By purchasing the Bonds, each purchaser represents that it is a “financial institution or institutional investor” within the meaning of Section 32-1-103(6.5), C.R.S., with sufficient knowledge and experience in financial and business matters, including the purchase and ownership of non-rated tax-exempt obligations, to be able to evaluate the merits and risks of an investment in the Bonds.

No Assurance of Secondary Market

No assurance can be given concerning the future existence of a secondary market for the Bonds, and prospective purchasers of the Bonds should therefore be prepared, if necessary, to hold the Bonds to maturity or prior redemption. Even if a secondary market exists, as with any marketable securities, there can be no assurance as to the price for which the Bonds may be sold. Such price may be lower than that paid by the initial purchaser of the Bonds depending on the progress of the Development and existing real estate and financial market conditions. See also “—Restrictions on Transferability” below.

Limited Tax Obligations; No Mortgage; No Assurance of Conversion of Series 2016A Senior Bonds to Unlimited Tax Obligations

The primary source of District revenue pledged for debt service on the Bonds is expected to be revenue generated from ad valorem taxes assessed against all taxable property of the District. The ad valorem property taxes required to be imposed by the District for payment of the Series 2016A Senior Bonds are different than those required to be imposed for payment of the Series 2016B Subordinate Bonds and are subject to different limitations, as more particularly described herein.

Pursuant to the Senior Indenture, the District is to impose ad valorem property taxes in an amount the Senior Required Mill Levy. Prior to the Conversion Date (defined below), in no event may holders of the Series 2016A Senior Bonds require the District to raise the mill levy above the maximum mill levy of 42.827 mills (subject to adjustment for changes occurring in the method of calculating assessed valuation after the date of issuance of the Series 2016A Senior Bonds) *less* the number of mills necessary to pay unlimited mill levy debt, if any. On and after the Conversion Date, if any, the Senior Indenture provides that the District is to levy an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal of, premium if any, and interest on the Series 2016A Senior Bonds as the same become due and payable, without limitation of rate and in amounts sufficient to make such payments when due. See “THE SERIES 2016A SENIOR BONDS—Security for the Series 2016A Senior Bonds—*Senior Required Mill Levy.*”

The Indenture defines the “Conversion Date” as the first date on which both of the following conditions are met: (a) the Senior Debt to Assessed Ratio is 50% or less and (b) no amounts of principal or interest on the Series 2016A Senior Bonds are due but unpaid. The Indenture defines the “Senior Debt to Assessed Ratio” as the ratio derived by dividing the then-outstanding principal amount of the Series 2016A Senior Bonds and all other outstanding Senior Bonds of the District by the assessed valuation of the taxable property of the District, as such assessed valuation is certified from time to time by the appropriate county assessor. The foregoing calculation shall exclude the principal amount of any Subordinate Bonds or any obligation other than Senior Bonds.

There is no assurance that the assessed value of the taxable property of the District will increase to the point where the Conversion Date occurs. Prior to the Conversion Date, in no event may holders of

the Series 2016A Senior Bonds require the District to raise the mill levy above the maximum mill levy described above. See “—Continued Development Not Assured” and “—Risks Inherent in Financial Forecasts” below.

The Series 2016A Senior Bonds constitute Senior Bonds and the Series 2016B Subordinate Bonds constitute Subordinate Bonds under the Indentures. Accordingly, to the extent any revenues are pledged under the Indentures to both the Series 2016A Senior Bonds and the Series 2016B Subordinate Bonds, the lien thereon of the Series 2016B Subordinate Bonds is junior and subordinate in all respects to the lien of the Series 2016A Senior Bonds and any other Senior Bonds issued in the future.

The District has pledged to impose a Subordinate Required Mill Levy for the payment of the Series 2016B Subordinate Bonds in an amount equal to 42.827 mills *less* the Senior Required Mill Levy *and* the number of mills necessary to pay unlimited mill levy debt of the District. Therefore, if the Senior Required Mill Levy and the number of mills necessary to pay unlimited mill levy debt of the District equals or exceeds 42.827 mills in any year (as adjusted for changes in law, if any), **the Subordinate Required Mill Levy for that year shall be zero.**

The District’s ability to retire the indebtedness created by the issuance of the Bonds is dependent, in part, upon development of an adequate tax base from which the District can collect sufficient property tax revenue from the imposition of the Senior Required Mill Levy and Subordinate Required Mill Levy. See “—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land” and “—Continued Development Not Assured” below. The Financial Forecast (included in APPENDIX A hereto) sets forth the anticipated payment of debt service on the Bonds, based on assumptions concerning growth in the District and the mill levies imposed for payment of debt service on the Bonds. See “—Risks Inherent in Financial Forecasts” below.

In the event that the revenue derived from the Senior Required Mill Levy and the Subordinate Required Mill Levy and the other components of the Senior Pledged Revenue and the Subordinate Pledged Revenue (as applicable to the Series 2016A Senior Bonds and the Series 2016B Subordinate Bonds, respectively) is insufficient to pay the scheduled principal of and/or interest on the Series 2016A Senior Bonds and the Series 2016B Subordinate Bonds, as applicable, when due, the unpaid principal will continue to bear interest, and the unpaid interest will compound as described herein until the total repayment obligation of the District for the Bonds equals the amount permitted by law; **provided, however, that notwithstanding anything in the Subordinate Indenture to the contrary, all of the Series 2016B Subordinate Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on December 16, 2056 (the “Subordinate Bond Termination Date”), regardless of the amount of principal and interest paid prior to the Subordinate Bond Termination Date, as further described below.** During this period of accrual, so long as the District is imposing the applicable Senior Required Mill Levy and the Subordinate Required Mill Levy and enforcing collection of the Senior Pledged Revenue and Subordinate Pledged Revenue, the District will not be in default under the Senior Indenture or Subordinate Indenture, as applicable, and the Owners will have no recourse against the District to require such payments (other than to require the District to continue to impose the Senior Required Mill Levy and the Subordinate Required Mill Levy and collect the revenue derived from such levy and the other components of the Senior Pledged Revenue and Subordinate Pledged Revenue, to the extent permitted under the Service Plan and other applicable law). In addition, the District will not be liable to the Owners for unpaid principal and interest beyond the amount permitted by law and, upon payment of such permitted amount, it is possible that all Bonds may be deemed defeased. See “THE SERIES 2016A SENIOR BONDS—Certain Senior Indenture Provisions—*Events of Default*” and “—*Remedies on Occurrence of Event of Default.*” See “THE SERIES 2016B SUBORDINATE BONDS—Certain Subordinate Indenture Provisions—*Events of Default*” and “—*Remedies on Occurrence of Event of Default.*”

Payment of the principal of and interest on the Bonds is not secured by any deed of trust, mortgage or other lien on or security interest in any property within the District or assets of the District (other than the Senior Pledged Revenue and Subordinate Pledged Revenue, as applicable), the Original Landowner, or Taylor Morrison.

Subordinate Lien of Series 2016B Subordinate Bonds; “Cash flow” Nature of Series 2016B Subordinate Bonds

The Series 2016B Subordinate Bonds are structured as “cash flow” bonds, meaning that there are no scheduled payments of principal thereof prior to the final maturity date. Rather, principal on the Series 2016B Subordinate Bonds is payable on the earliest practicable date following each November 15 (anticipated to occur, if at all, annually on December 15) from, and to the extent of, Subordinate Pledged Revenue available therefor, if any, in accordance with the terms of the Subordinate Indenture, pursuant to a special mandatory redemption more particularly described in “THE SERIES 2016B SUBORDINATE BONDS—Redemption—Mandatory Redemption” and “—Certain Subordinate Indenture Provisions—Subordinate Bond Fund; Mandatory Redemption.” Furthermore, accrued unpaid interest on the Series 2016B Subordinate Bonds will compound annually on each December 15.

As demonstrated in the Financial Forecast, it is not anticipated that there will be any Subordinate Pledged Revenue available to pay debt service on the Series 2016B Subordinate Bonds until the year 2021. See APPENDIX A—PROJECTED STATEMENT OF SOURCES AND USES OF CASH” hereto.

Prospective purchasers are cautioned that the payment of debt service on the Series 2016B Subordinate Bonds presented in the Financial Forecast is only a projection, based upon the assumptions set forth therein, and failure to pay such amounts on the Series 2016B Subordinate Bonds in accordance with such projection will not constitute an event of default under the Subordinate Indenture. See also “—Risks Inherent in Financial Forecasts” below.

Termination of Series 2016B Subordinate Bonds on December 16, 2056

Notwithstanding anything in the Subordinate Indenture to the contrary, including the possibility that the unpaid principal and interest on the Series 2016B Subordinate Bonds has not yet accrued to the amount permitted by law, as described above, all of the Series 2016B Subordinate Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on December 16, 2056 (the “Subordinate Bond Termination Date”), regardless of the amount of principal and interest paid prior to the Subordinate Bond Termination Date; provided however, that the foregoing is not to relieve the District of the obligation to impose the Subordinate Required Mill Levy each year prior to the Subordinate Bond Termination Date and apply the Subordinate Pledged Revenue in the manner required in the Subordinate Indenture.

Continued Development Not Assured

General. The repayment of the Bonds is dependent upon an increase in the assessed valuation of property in the District to provide a tax base from which ad valorem property tax revenues resulting from imposition by the District of the Senior Required Mill Levy and Subordinate Required Mill Levy are to be collected. Such increase in assessed valuation is dependent upon development within the District, which, in turn, is subject to market demand, market conditions and a variety of other factors beyond the control of the District, the Original Landowner, and Taylor Morrison.

The Development (defined herein) is planned as a residential community comprised of approximately 168 developable acres, planned to consist of 518 single-family residential units, a community center, parks, trails, and open space. See “THE DEVELOPMENT” and the “AERIAL MAP.” Property planned for the Development is fully-entitled for its intended uses, subject to the issuance of building permits and certificates of occupancy by Broomfield in accordance with the Municipal Code (defined herein). Broomfield has approved final plats for 327 planned single-family detached lots, and public infrastructure required for 249 planned single-family detached homes that comprise Phases I, II and III of the Development is complete. See “THE DEVELOPMENT—Platting, Zoning/Land Use and Public Approvals.”

Of the 518 planned single-family detached homes, as of June 15, 2016, 131 homes have been purchased and closed to homeowners, and 51 homes were under contract for purchase by homeowners from Taylor Morrison, with an additional 336 lots remaining in inventory, on which 6 model homes have been constructed. Notwithstanding any of the foregoing, neither Taylor Morrison nor any other owner of property within the Development is obligated to construct homes thereon in any particular timeframe, or at all. Based upon the information provided by Taylor Morrison as to the projected build-out schedule and product mix (including price levels) and certain other assumptions specified therein, the Financial Forecast included in APPENDIX A hereto provides certain forecasts of revenue of the District. **While the foregoing and more detailed descriptions of the planned development provided elsewhere in this Limited Offering Memorandum reflect the reasonable beliefs of Taylor Morrison as to the anticipated build-out of the Development, no assurance can be given that build-out will occur as presently planned, within the presently anticipated timeframes and resulting in the presently anticipated product values. All development projections, including, without limitation, the price levels of residential units to be constructed in the Development, are dependent upon market activity, governmental regulations, general economic conditions, and other factors over which the District, the Original Landowner, and Taylor Morrison have no control. See “—Risks Inherent in Financial Forecasts” below, “THE DEVELOPMENT” and APPENDIX A—PROJECTED STATEMENT OF SOURCES AND USES OF CASH.**

Competition with Other Developments. The Development will compete with developments in Broomfield and throughout the greater Denver metropolitan area. Such competition may adversely affect the rate of development within the District.

Other Factors Affecting Rate of Development. Many unpredictable factors could influence the actual rate of development and construction of homes within the Development, including prevailing interest rates, availability of development and construction funding, economic conditions generally, development and supply of residential housing in the area, availability of mortgages, availability of property insurance, construction costs, labor conditions and unemployment rates, access to and cost of building supplies, availability and costs of fuel, and transportation costs, and severe weather and acts of god, among other things. See also “—Foreclosures” below, “THE DEVELOPMENT—Competition” and “APPENDIX D—ECONOMIC AND DEMOGRAPHIC INFORMATION—Housing Stock” and “—Foreclosure Activity.”

Financial Condition of Taylor Morrison

There has been no independent investigation of and no representation is made in this Limited Offering Memorandum regarding the financial soundness of Taylor Morrison or of their capability to develop and market the property within the Development as planned. Moreover, the financial circumstances of Taylor Morrison may change from time to time. Development within the District is dependent upon the ability of Taylor Morrison to implement the development plan contemplated herein, as described above in “—Continued Development Not Assured.” However, Taylor Morrison is not under

a binding obligation to develop their property within the District as planned, nor is there any restriction on the right of Taylor Morrison to sell any or all of their property within the District or to withdraw completely from the Development. Prospective investors are urged to make such investigation as deemed necessary concerning the financial soundness of Taylor Morrison and their ability to implement the plan of Development as described herein.

Additional Parity Senior Bonds

The District may issue Senior Bonds (secured by the Senior Pledged Revenue on parity with the lien thereon of the Series 2016A Senior Bonds), without the consent of the Owners of the Series 2016A Senior Bonds, subject to the satisfaction of certain conditions described in “THE SERIES 2016A SENIOR BONDS—Certain Senior Indenture Provisions—*Additional Bonds*,” and, without the consent of the Owners of the Series 2016B Subordinate Bonds, subject to the satisfaction of certain conditions described in “THE SERIES 2016B SUBORDINATE BONDS—Certain Subordinate Indenture Provisions—*Additional Bonds*.” The District’s issuance of Additional Bonds is also subject to the limitations of the District’s Service Plan and electoral authorization. See “DEBT STRUCTURE—Debt Restrictions—*Voter Authorized but Unissued Debt*” and —*Service Plan Debt Limit*” herein. The issuance of Additional Bonds would potentially dilute the security available for the Bonds.

Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land

The owners of the Bonds are dependent upon the assessed value of property within the District to provide a tax base from which ad valorem tax revenues are collected for the payment of debt service on the Bonds. The assessed value of property within the District is determined by multiplying the “actual value” of the property by an assessment rate, and the “actual value” of the property is determined by the County Assessor, all as more particularly described under “DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Taxes.” Assessed valuations may be affected by a number of factors beyond the control of the District. For example, property owners are allowed each year by State law to challenge the valuations of their property, and no assurance can be given that owners of property in the Development will not do so. Under certain circumstances, State statutes permit the owners of vacant residential property to apply to the County Assessor for discounted valuation of such property for ad valorem property tax purposes and, in certain circumstances, multi-family projects can qualify for an exemption from property taxation (although no multi-family units are planned within the Development). Should the actions of property owners result in lower assessed valuations of property in the Development, the security for the Bonds would be diminished, increasing the risk of nonpayment. Regardless of the actions of property owners, the values of finished lots and homes may be reduced if market prices decline due to economic factors. See also “—Foreclosures” below. Furthermore, property used for tax-exempt purposes, which could include property owned by charitable or not-for-profit organizations, is not subject to taxation.

In addition, the projected assessed value of property in the District set forth in the Financial Forecast is based on certain assumptions as to the manner in which various properties will be assessed by the County Assessor. While these assumptions are based on information provided by the County Assessor, no assurance is given that any particular methodology presently used by the County Assessor to determine the actual value of property will continue to be used in the future. Any change in the methodology by which the actual value of property is determined could adversely affect the assessed value of property in the District and the property taxes that may be generated thereby. See also “—Risks Inherent in Financial Forecasts” below and APPENDIX A—PROJECTED STATEMENT OF SOURCES AND USES OF CASH hereto.

Risks Inherent in Financial Forecasts

The Financial Forecast (in APPENDIX A hereto) sets forth a projection of the payment of debt service on the Bonds, based on the assumptions more particularly described in the Financial Forecast. Actual rates of development will be affected by many factors. While Taylor Morrison has stated that it believes that the absorption schedule and market values presented in the Financial Forecast are reasonable, no assurance can be given that the actual rate of development and market values will be as presented in the Financial Forecast. The information presented in APPENDIX A—PROJECTED STATEMENT OF SOURCES AND USES OF CASH inherently is subject to variations between the assumptions and actual results and those variations could be material. See “—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land” above and “FORWARD-LOOKING STATEMENTS.”

The Financial Forecast attached as APPENDIX A hereto is an integral part of this Limited Offering Memorandum. Investors are encouraged to read the entire Limited Offering Memorandum, including the Financial Forecast, to obtain information essential to the making of an informed investment decision.

Foreclosures

The District’s ability to collect property tax revenue for timely payment of the Bonds depends, among other things, upon development within the District and the maintenance of an adequate tax base from which the District can collect sufficient property tax revenue from the imposition of the Senior Required Mill Levy and Subordinate Required Mill Levy. In the State, if a borrower is approximately three months late with payment and if the lender so requests, the public trustee of the county in which the borrower resides will send the borrower a “Notice of Election and Demand.” At this point, the property would officially be in foreclosure. Such filings can be “cured” or “withdrawn” before the home is sold at auction, meaning that not all foreclosure filings result in a final foreclosure sale. Currently, the period between the foreclosure filing and the foreclosure sale at auction in the State must be at least 120 days by law, but in some cases, this period may actually last much longer. The current foreclosure timeline (effective as of January 1, 2008) was modified to allow for a longer cure period and ended the use of the “redemption period” concept.

Property owned by a lending institution as a result of foreclosure is typically resold in the market at a depressed price, resulting in a decrease in assessed valuation of the foreclosed property. In addition, a home foreclosure may have an immediate and/or long-term effect of depressing home prices in the surrounding area. The number of foreclosed homes reentering the market at lower prices may result in a reduction of demand for new construction housing, including property within the Development. Increased foreclosure rates could also cause lenders to tighten their lending practices and decrease their approvals of home loans, making it more difficult for potential homebuyers to finance home acquisitions. Such changes in lending practices could have an impact on the rate of home sales within the Development. See also “APPENDIX D—ECONOMIC AND DEMOGRAPHIC INFORMATION—Foreclosure Activity.”

Directors’ Private Interests

Pursuant to State law, directors are required to disclose to the Colorado Secretary of State and the Board potential conflicts of interest or personal or private interests which are proposed or pending before the Board. According to disclosure statements filed with the Secretary of State by members of the Board prior to taking any official action relating to the Bonds, all members of the Board have potential or existing personal or private interests relating to the issuance or delivery of the Bonds or the expenditure of

the proceeds thereof as a result of his informal or formal business relationships with the Original Landowner. See also “THE DEVELOPMENT—Original Landowner and Related Entities.”

Legal Constraints on District Operations

Various State laws and constitutional provisions govern the assessment and collection of ad valorem property taxes and the issuance of bonds and impose limitations on revenues and spending of the State and local governments, including the District, and limit rates, fees and charges imposed by such entities. State laws, constitutional provisions and federal laws and regulations apply to the obligations created by the issuance of the Bonds. There can be no assurance that there will not be changes in interpretation of, or additions to, the applicable laws and provisions which would have a material adverse effect, directly or indirectly, on the affairs of the District.

Enforcement of Tax Collection by County

The duty to pay property taxes does not constitute a personal obligation of the property owners within the Development. Rather, the obligation to pay property taxes is tied to the specific properties taxed, and if timely payment is not made, the obligation constitutes a lien against the specific properties for which taxes are unpaid. To enforce property tax liens, the County Treasurer is obligated to cause the sale of tax liens upon the property that is subject to the delinquent taxes, as provided by law, and the revenue derived from such sales, if any, is applied to the delinquent taxes. The County Treasurer has the power to foreclose on and cause the sale of the property that is subject to the delinquent tax, after the period allowed for the property owner to redeem such taxes, as provided by law. Such redemption period is currently three years, during which a property owner may pay all taxes due and prevent such foreclosure. Foreclosure can be a time-consuming and expensive process and does not necessarily result in recovery of all amounts due and unpaid.

In addition, the ability of the County Treasurer to enforce tax liens could be delayed by bankruptcy laws and other laws affecting creditor’s rights generally. During the pendency of any bankruptcy of any property owner, the parcels owned by such property owner could be sold only if the bankruptcy court approves the sale. There is no assurance that property taxes would be paid during the pendency of any bankruptcy, nor is it possible to predict the timeliness of such payment.

Finally, the collection of property taxes is dependent upon the property subject to such taxes having sufficient fair market value to support the taxes which are imposed. No assurance can be given as to the future market values of property in the Development. See “—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land” above and “DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Taxes—*Property Tax Collections*.”

Property Taxes Not Personal Obligations

Property taxes on land are not personal obligations of Taylor Morrison or any other property owner. No party has guaranteed the payment of the principal of or interest on the Bonds, and no financial information regarding Taylor Morrison or any other entity which may develop property within the Development is provided in this Limited Offering Memorandum. See also “—Continued Development Not Assured” and “—Financial Condition of Taylor Morrison” above.

Enforceability of Bondholders' Remedies Upon Default

The remedies available to the owners of the Bonds upon a default are in many respects dependent upon judicial action, which is often subject to discretion and delay under existing constitutional law, statutory law, and judicial decisions, including specifically the federal Bankruptcy Code. The legal opinions to be delivered concurrently with delivery of the Bonds will be qualified as to enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, and insolvency or other similar laws affecting the rights of creditors generally, now or hereafter in effect; to usual equity principles which may limit the specific enforcement under State law of certain remedies, including, but not limited to, specific performance; to the exercise by the United States of America of the powers delegated to it by the federal constitution; and to the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies, in the interest of serving an important public purpose.

Future Changes in Law

Various State laws, constitutional provisions and federal laws and regulations apply to the obligations created by the issuance of the Bonds and various agreements described herein. There can be no assurance that there will not be any change in, interpretation of, or addition to the applicable laws and provisions which would have a material effect, directly or indirectly, on the affairs of the District or Taylor Morrison.

Risk of Internal Revenue Service Audit

The Internal Revenue Service (the "Service") has announced a program of auditing tax-exempt bonds which can include those issued by special purpose governmental units, such as the District, for the purpose of determining whether the Service agrees (a) with the determination of bond counsel that interest on the Bonds is tax-exempt for federal income tax purposes or (b) that the District is in or remains in compliance with Service regulations and rulings applicable to governmental bonds such as the Bonds. The commencement of an audit of the Bonds could adversely affect the market value and liquidity of the Bonds, regardless of the final outcome. An adverse determination by the Service with respect to the tax-exempt status of interest on the Bonds could be expected to adversely impact the secondary market, if any, for the Bonds, and, if a secondary market exists, would also be expected to adversely impact the price at which the Bonds can be sold. The Indentures do not provide for any adjustment to the interest rates borne by the Bonds in the event of a change in the tax-exempt status of the Bonds. Owners of the Bonds should note that, if the Service audits the Bonds, under current audit procedures the Service will treat the District as the taxpayer during the initial stage of the audit, and the owners of the Bonds will have limited rights to participate in such procedures. There can be no assurance that the District will have revenues available to contest an adverse determination by the Service. No transaction participant, including none of the District, the Underwriter or Bond Counsel is obligated to pay or reimburse the owner of any Bond for audit or litigation costs in connection with any legal action, by the Service or otherwise, relating to the Bonds.

There can be no assurance that an audit by the Service of the Bonds will not be commenced. However, the District has no reason to believe that any such audit will be commenced, or that if commenced, an audit would result in a conclusion of noncompliance with any applicable Service position, regulation or ruling. No rulings have been or will be sought from the Service with respect to any federal tax matters relating to the issuance, purchase, ownership, receipt or accrual of interest upon, or disposition of the Bonds. See also "TAX MATTERS" herein.

Restrictions on Transferability

By their acceptance of the Bonds, each Bondholder acknowledges that the Bonds may be sold, transferred or otherwise disposed of only in minimum denominations of \$500,000 and any integral multiple of \$1,000 in excess thereof, except as otherwise provided in the applicable Indenture. See “THE SERIES 2016A SENIOR BONDS—Authorized Denominations of the Series 2016A Senior Bonds” and “THE SERIES 2016B SUBORDINATE BONDS—Authorized Denominations of the Series 2016B Subordinate Bonds.”

No Acceleration; No Payment Default

The Indentures provide that acceleration of the Bonds is not an available remedy for an Event of Default. In addition, with respect to the Series 2016A Senior Bonds, prior to the Conversion Date, the District’s failure to pay principal and interest thereon when due does not constitute an Event of Default under the Senior Indenture, so long as the District is otherwise in compliance with the other Senior Indenture covenants and other provisions relating to the Senior Pledged Revenue. With respect to the Series 2016B Subordinate Bonds, the District’s failure to pay principal and interest thereon when due does not constitute an Event of Default under the Subordinate Indenture, so long as the District is otherwise in compliance with the other Subordinate Indenture covenants and other provisions relating to the Subordinate Pledged Revenue. See “THE SERIES 2016A SENIOR BONDS—Certain Senior Indenture Provisions—*Events of Default*” and “—*Remedies on Occurrence of Event of Default*” and “THE SERIES 2016B SUBORDINATE BONDS—Certain Subordinate Indenture Provisions—*Events of Default*” and “—*Remedies on Occurrence of Event of Default*.”

THE SERIES 2016A SENIOR BONDS

Description

The Series 2016A Senior Bonds will be issued in the principal amount, will be dated and will mature as indicated on the cover page of this Limited Offering Memorandum. For a complete statement of the details and conditions of the Series 2016A Senior Bond issue, reference is made to the Senior Indenture, a copy of which is available from the Underwriter prior to delivery of the Series 2016A Senior Bonds. See “INTRODUCTION—Additional Information.”

Sources of Payment

The Series 2016A Senior Bonds are general obligations (limited tax convertible to unlimited tax) of the District secured by and payable from the following sources, net of any costs of collection (the “Senior Pledged Revenue”): (i) the Senior Required Mill Levy; (ii) Capital Fees, if any; (iii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; and (iv) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue. While Capital Fees, if any, are pledged to Series 2016A Senior Bonds, no Capital Fees are presently imposed by the District.

The Series 2016A Senior Bonds are also secured by amounts on deposit in the Senior Reserve Fund, which is to be funded from proceeds of the Series 2016A Senior Bonds in an amount equal to \$871,750 (the “Required Reserve”). In addition, excess Senior Pledged Revenue, if any, accumulated in the Senior Surplus Fund also secures the payment of the Series 2016A Senior Bonds. Available Senior Pledged Revenue, if any, is to be accumulated in the Senior Surplus Fund in accordance with the Senior Indenture up to the “Maximum Surplus Amount” of \$1,104,500.

See “THE SERIES 2016A SENIOR BONDS—Security for the Series 2016A Senior Bonds,” “DISTRICT FINANCIAL INFORMATION,” and “APPENDIX A—PROJECTED STATEMENT OF SOURCES AND USES OF CASH.”

See “APPENDIX B—SELECTED DEFINITIONS” for definitions of the capitalized terms used above and otherwise throughout this Limited Offering Memorandum. See also “—Security for the Series 2016A Senior Bonds” below.

Authorized Denominations of the Series 2016A Senior Bonds

The Series 2016A Senior Bonds are being issued in “Authorized Denominations,” defined in the Senior Indenture to mean, initially, the amount of \$500,000 or any integral multiple of \$1,000 in excess thereof, provided that no individual Series 2016A Senior Bond may be in an amount which exceeds the principal amount coming due on any maturity date. Notwithstanding the foregoing, in the event a Series 2016A Senior Bond is partially redeemed under the Senior Indenture and the unredeemed portion is less than \$500,000, such unredeemed portion of such Series 2016A Senior Bond may nonetheless be issued in the largest possible denomination of less than \$500,000, in integral multiples of not less than \$1,000 each or any integral multiple thereof. Furthermore, the Authorized Denominations are to be reduced to \$1,000 or any integral multiple thereof in the event that the Trustee receives an opinion of Counsel that the District has filed a notice of a claim of exemption, along with all other required documents necessary to exempt the Series 2016A Senior Bonds under any of the exemptions from registration contemplated by Section 11-59-110, C.R.S., or any successor statute, or has taken other actions which permit the Series 2016A Senior Bonds to be issued in denominations of \$1,000 or integral multiples thereof under the Colorado Municipal Bond Supervision Act, Title 11, Article 59, C.R.S., or any successor statute.

Payment of Principal and Interest

The Series 2016A Senior Bonds will bear interest at the rates set forth on the front cover hereof (computed on the basis of a 360-day year of twelve 30-day months) payable to the extent of Pledged Revenue available therefor on each June 1 and December 1, commencing December 1, 2016.

To the extent principal of any Series 2016A Senior Bond is not paid when due, such principal is to remain Outstanding until paid and is to continue to bear interest at the rate then borne by the Series 2016A Senior Bond. To the extent interest on any Series 2016A Senior Bond is not paid when due, such interest is to compound on each interest payment date, at the rate then borne by the Series 2016A Senior Bond; provided, however, that notwithstanding anything in the Senior Indenture to the contrary, the District is not to be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Series 2016A Senior Bonds, including all payments of principal, premium if any, and interest, and all Series 2016A Senior Bonds will be deemed defeased and no longer Outstanding upon the payment by the District of such amount.

The principal of and premium, if any, on the Series 2016A Senior Bonds are payable in lawful money of the United States of America to the Owner of each Series 2016A Senior Bond upon maturity or prior redemption and presentation at the principal office of the Trustee. The interest on any Series 2016A Senior Bond is payable to the person in whose name such Series 2016A Senior Bond is registered, at his address as it appears on the registration books maintained by or on behalf of the District by the Trustee, at the close of business on the Senior Record Date, irrespective of any transfer or exchange of such Series 2016A Senior Bond subsequent to such Senior Record Date and prior to such interest payment date; provided that any such interest not so timely paid or duly provided for is to cease to be payable to the person who is the Owner thereof at the close of business on the Senior Record Date and is to be payable

to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of any such unpaid interest.

Payments for the principal of and interest on the Series 2016A Senior Bonds will be made as described in “APPENDIX E—BOOK-ENTRY-ONLY SYSTEM.”

Redemption

Optional Redemption. The Series 2016A Senior Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, on December 1, 2021, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium of a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium
December 1, 2021, to November 30, 2022	3.00%
December 1, 2022, to November 30, 2023	2.00
December 1, 2023, to November 30, 2024	1.00
December 1, 2024, and thereafter	0.00

Mandatory Sinking Fund Redemption. The Series 2016A Senior Bonds maturing on December 1, 2026 also are subject to mandatory sinking fund redemption prior to the maturity date of such Series 2016A Senior Bonds, in part, by lot, upon payment of par and accrued interest, without redemption premium, on December 1 in the years and amounts set forth below:

Year of Redemption	Redemption Amount
2020	\$ 55,000
2021	145,000
2022	165,000
2023	175,000
2024	195,000
2025	205,000
2026 ¹	225,000

¹Final maturity, not a sinking fund redemption.

The Series 2016A Senior Bonds maturing on December 1, 2046 also are subject to mandatory sinking fund redemption prior to the maturity date of such Series 2016A Senior Bonds, in part, by lot, upon payment of par and accrued interest, without redemption premium, on December 1 in the years and amounts set forth below:

Year of Redemption	Redemption Amount
2027	\$235,000
2028	260,000
2029	275,000
2030	300,000
2031	315,000
2032	350,000
2033	365,000
2034	400,000
2035	420,000
2036	455,000
2037	480,000
2038	520,000
2039	545,000
2040	590,000
2041	620,000
2042	665,000
2043	700,000
2044	750,000
2045	790,000
2046 ¹	845,000

¹Final maturity, not a sinking fund redemption

With respect to each maturity of the Series 2016A Senior Bonds subject to mandatory sinking fund redemption, on or before forty-five (45) days prior to each sinking fund installment date for such maturity as set forth above, the Trustee is to select for redemption, by lot in such manner as the Trustee may determine, from the Outstanding Series 2016A Senior Bonds of that maturity, a principal amount of such Series 2016A Senior Bonds equal to the applicable sinking fund installment. The amount of the applicable sinking fund installment for any particular date and maturity may be reduced by the principal amount of any Series 2016A Senior Bonds of that maturity which, prior to said date, have been redeemed (otherwise than through the operation of the sinking fund) and cancelled and not theretofore applied as a credit against a sinking fund installment. Such reductions, if any, are to be applied in such year or years as may be determined by the District.

General Redemption Provisions. Except as otherwise provided in the Senior Indenture, if less than all of the Series 2016A Senior Bonds within a maturity are to be redeemed on any prior redemption date, the Series 2016A Senior Bonds to be redeemed are to be selected by lot prior to the date fixed for redemption, in such manner as the Trustee is to determine. The Series 2016A Senior Bonds are to be redeemed only in integral multiples of \$1,000. In the event a Series 2016A Senior Bond is of a denomination larger than \$1,000, a portion of such Series 2016A Senior Bond may be redeemed, but only in the principal amount of \$1,000 or any integral multiple thereof. Such Series 2016A Senior Bond is to be treated for the purpose of redemption as that number of Series 2016A Senior Bonds which results from dividing the principal amount of such Series 2016A Senior Bond by \$1,000. In the event a portion of any Series 2016A Senior Bond is redeemed, the Trustee is to, without charge to the Owner of such Series 2016A Senior Bond, authenticate and deliver a replacement Series 2016A Senior Bond or Series 2016A Senior Bonds for the unredeemed portion thereof.

Notice and Effect of Redemption. In the event any of the Series 2016A Senior Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the Series 2016A Senior Bonds or portions thereof to be redeemed will be given by the Trustee by mailing a copy of the redemption notice by first-class mail (postage prepaid), not less than thirty (30) days prior to the date fixed for redemption, to the Owner of each Series 2016A Senior Bond to be redeemed in whole or in part at the address shown on the registration books maintained by or on behalf of the District by the Trustee,

provided that so long as the Bonds are held by DTC or any other Depository, such notice may be given by electronic means in lieu of mailed notice. Failure to give such notice by mailing to any Owner, or any defect therein, is not to affect the validity of any proceeding for the redemption of other Series 2016A Senior Bonds as to which no such failure or defect exists. The redemption of the Series 2016A Senior Bonds may be contingent or subject to such conditions as may be specified in the notice, and if funds for the redemption are not irrevocably deposited with the Trustee or otherwise placed in escrow and in trust prior to the giving of notice of redemption, the notice is to be specifically subject to the deposit of funds by the District. All Series 2016A Senior Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

Security for the Series 2016A Senior Bonds

Senior Pledged Revenue. The Series 2016A Senior Bonds are limited tax general obligations of the District secured by and payable from the Senior Pledged Revenue consisting of moneys derived by the District from the following sources, net of any costs of collection: (i) the Senior Required Mill Levy; (ii) the Capital Fees, if any; (iii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Senior Required Mill Levy; and (iv) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

The Series 2016A Senior Bonds are also secured by amounts held by the Trustee in the Senior Reserve Fund and excess Pledged Revenue, if any, accumulated in the Senior Surplus Fund.

Senior Required Mill Levy. The definition of Senior Required Mill Levy is set forth below. The Series 2016A Senior Bonds are not secured by property lying within the District, but rather by, among other things, the District's obligation to annually determine, fix and certify a rate of levy, not to exceed the Senior Required Mill Levy, for ad valorem property taxes to the Broomfield County Board of County Commissioners in an amount sufficient to pay, along with other legally available revenues, the principal of and interest on the Series 2016A Senior Bonds. The Senior Indenture provides that in the event any ad valorem taxes are not paid when due, the District is to diligently cooperate with the Broomfield County Treasurer to enforce the lien of such unpaid taxes against the property for which the taxes are owed. See "*Covenant to Impose the Senior Required Mill Levy*" below and "RISK FACTORS—Enforcement of Tax Collection by County."

Definition of Senior Required Mill Levy. Pursuant to the Senior Indenture, the District has covenanted to levy on all of the taxable property of the District the "Senior Required Mill Levy," generally described below.

(a) Subject to paragraph (c) below, prior to the Conversion Date, the Senior Indenture provides that the District is to levy an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount sufficient, when combined with other legally available moneys in the Senior Bond Fund (not including the Senior Reserve Fund or the Senior Surplus Fund), to pay the principal of, premium if any, and interest on the Series 2016A Senior Bonds as the same become due and payable and to fund the Reserve Fund up to the Required Reserve, but not in excess of 42.827 mills less the number of mills necessary to pay unlimited mill levy debt, and for so long as the Surplus Fund is less than the Maximum Surplus Amount, not less than 42.827 mills less the number of mills necessary to pay unlimited mill levy debt, or such lesser mill levy which, when combined with other Senior Pledged Revenue legally available in the Senior Bond Fund, will permit the District to fully fund the Senior Bond Fund for the next Bond Year and pay the Series 2016A Senior Bonds as they come due, to fund the Senior Reserve Fund up to the Senior Required Reserve, and to fund the Senior

Surplus Fund up to the Maximum Surplus Amount; provided that if there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after the date of issuance of the Bonds, are neither diminished nor enhanced as a result of such changes.

(b) Subject to paragraph (c) below, on and after the Conversion Date, the Senior Indenture provides that the District is to levy an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal of, premium if any, and interest on the Series 2016A Senior Bonds as the same become due and payable, without limitation of rate and in amounts sufficient to make such payments when due. On and after the Conversion Date, the definition of “Required Mill Levy” thereafter shall be determined exclusively by this subparagraph (b) regardless of any subsequent increase in the Senior Debt to Assessed Ratio.

(c) Notwithstanding the foregoing paragraphs (a) and (b) above, in no event may the Senior Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District’s electoral authorization, and if the Senior Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District’s electoral authorization, the Senior Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

Covenant To Impose the Senior Required Mill Levy. The Senior Indenture provides that for the purpose of paying the principal of, premium if any, and interest on the Series 2016A Senior Bonds, funding the Senior Surplus Fund, and, if necessary, funding the Senior Reserve Fund, the District covenants to cause to be levied on all of the taxable property of the District, in addition to all other taxes, direct annual taxes in each of the years 2016 to 2045, inclusive (and, to the extent necessary to make up any overdue payments on the Series 2016A Senior Bonds, in each year subsequent to 2045) in the amount of the Senior Required Mill Levy. Nothing in the Senior Indenture is to be construed to require the District to levy an ad valorem property tax in an amount in excess of the Senior Required Mill Levy.

The Senior Indenture further provides that it is the duty of the Board, annually, at the time and in the manner provided by law for levying other District taxes, to ratify and carry out the provisions of the Senior Indenture with reference to the levying and collection of taxes; and the Board is, pursuant to the terms of the Senior Indenture, to levy, certify, and collect said taxes in the manner provided by law for the purpose of paying the principal of, premium, if any, and interest on the Series 2016A Senior Bonds.

Specific Ownership Tax. “Specific Ownership Tax” is defined in the Senior Indenture to mean the specific ownership taxes collected by the County and remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute. Pursuant to Section 42-3-107, C.R.S., specific ownership tax is collected by all counties and distributed to every taxing entity within a county, such as the District, in the proportion that the taxing entity’s ad valorem taxes represents of the cumulative amount of ad valorem taxes levied county-wide. Such specific ownership tax is currently imposed at a graduated rate which varies from 2.1% of taxable value in the first year of ownership to \$3 per year in the tenth year of ownership and thereafter. Changes in State law pursuant to which the specific ownership tax is collected and distributed are not within the control of the District, and could result in a decrease in the present specific ownership tax rates and, as a result, the amount of Specific Ownership Tax received by the District and payable to the Trustee in accordance with the Senior Indenture.

Only the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Senior Required Mill Levy is pledged to the payment of the Series 2016A Senior Bonds and only the portion collected as a result of the imposition of the Subordinate Required Mill Levy is pledged to the payment of the Series 2016B Subordinate Bonds. The portion of the Specific Ownership Tax which is collected as the result of the District's operations mill levy is not pledged to the Bonds and is anticipated to be applied to operational and administrative costs of the District.

Certain Senior Indenture Provisions

The following is a description of certain provisions of the Senior Indenture and is subject in all respects to the more specific provisions of the Senior Indenture. See "APPENDIX B—SELECTED DEFINITIONS" for definitions of certain capitalized terms used below and elsewhere in this Limited Offering Memorandum.

The Senior Indenture secures, and the covenants made by the District in the Senior Indenture are for the benefit of Owners of, solely the Series 2016A Senior Bonds. Owners of the Series 2016B Subordinate Bonds are not secured by, and have no right to enforce any provision of, the Senior Indenture.

No funds or accounts held under the Senior Indenture secure payment of the Series 2016B Subordinate Bonds; provided, however, that upon termination of the Senior Surplus Fund in accordance with the provisions of the Senior Indenture, any moneys on deposit therein are pledged to the payment of the Series 2016B Subordinate Bonds in accordance with the Subordinate Indenture. See "THE SERIES 2016B SUBORDINATE BONDS—Security for the Series 2016B Subordinate Bonds."

Creation of Senior Funds. Under the Senior Indenture, there are created and established the following funds and accounts, which are to be established with the Trustee and maintained by the Trustee in accordance with the provisions of the Senior Indenture:

- (a) the Senior Project Fund;
- (b) the Senior Bond Fund;
- (c) the Senior Reserve Fund; and
- (d) the Senior Surplus Fund.

Senior Project Fund.

In General. So long as no Event of Default has occurred and is continuing, the Trustee will disburse funds from the Senior Project Fund in accordance with requisitions in substantially the form set forth in the Senior Indenture, signed by the District Representative or the President or Vice President of the District. In addition, in the event the moneys in the other funds and accounts held by the Trustee under the Senior Indenture and legally available for payment of the Series 2016A Senior Bonds are ever insufficient to pay the principal of, premium if any, or interest on the Series 2016A Senior Bonds when due and there is no Event of Default, the Trustee is to transfer moneys from the Senior Project Fund to the Senior Bond Fund in amounts sufficient, when combined with such other legally available moneys, to make such payments when due; and in the event all of such moneys are still insufficient to make such payments when due, the Trustee is to nonetheless transfer all moneys in the Senior Project Fund to the

Senior Bond Fund. The Trustee may rely conclusively upon any such requisition received and has no obligation to make an independent investigation in connection therewith.

Termination of Senior Project Fund. Upon the receipt by the Trustee of a resolution of the District determining that all Project Costs have been paid, any balance remaining in the Senior Project Fund is to be credited to the Senior Bond Fund. In addition, upon the District's determination that the funds in the Senior Project Fund exceed the amount necessary to pay all Project Costs, such excess amount is to be credited to the Senior Bond Fund in the amounts determined by the District. The Senior Project Fund is to terminate at such time as no further moneys remain therein.

Event of Default. Upon the occurrence and continuance of an Event of Default, the Trustee will cease disbursing moneys from the Senior Project Fund, but instead is to apply such moneys in the manner provided by the Senior Indenture.

Senior Flow of Funds. The Senior Indenture requires that upon issuance of the Series 2016A Senior Bonds, the District is to transfer to the Trustee any moneys then held by the District which constitute Senior Pledged Revenue, and thereafter the District is to transfer all amounts comprising Senior Pledged Revenue to the Trustee as soon as may be practicable after the receipt thereof. In addition, in order to assure the proper application of moneys constituting Senior Pledged Revenue, on and after the date of issuance of any Senior Bonds or Subordinate Bonds, the District is to also transfer to the Trustee all moneys pledged to the payment of such Senior Bonds or Subordinate Bonds which are derived from either ad valorem taxes of the District or Specific Ownership Taxes, and any such moneys are to constitute part of the Trust Estate. The Trustee is to apply the Senior Pledged Revenue and such other moneys in the following order of priority. For purposes of the following: (a) when credits to more than one fund, account, or purpose are required at any single priority level, such credits are to rank *pari passu* with each other, and (b) when credits are required to go to funds or accounts which are not held by the Trustee under the Senior Indenture, the Trustee may rely upon the written instructions of the District with respect to the appropriate funds or accounts to which such credits are to be made.

FIRST: To the credit of the Senior Bond Fund, the amounts described in “—*Senior Bond Fund*” below, and to the credit of any other similar fund or account established for the current payment of the principal of, premium if any, and interest on any other Senior Bonds, the amounts required by the documents pursuant to which the other Senior Bonds are issued;

SECOND: To the credit of the Senior Reserve Fund, the amounts described in “—*Senior Reserve Fund*” below, and to the credit of any other similar reserve fund established in connection with any other Senior Bonds to secure the payment of the principal of, premium if any, and interest on such other Senior Bonds and fully funded as of the date of issuance of such other Senior Bonds, the amounts required by the documents pursuant to which the other Senior Bonds are issued;

THIRD: For so long as the Surplus Fund has not been terminated, to the credit of the Senior Surplus Fund the amounts described in “—*Senior Surplus Fund*” below, and to the credit of any other similar surplus fund or account established in connection with any other Senior Bonds to secure payment of the principal of, premium if any, and interest on such other Senior Bonds but not fully funded as of the date of issuance of such other Senior Bonds, the amounts required by the documents pursuant to which such other Senior Bonds are issued;

FOURTH: To the credit of any other fund or account established for the payment of the principal of, premium if any, and interest on Subordinate Bonds, including any sinking fund,

reserve fund, or similar fund or account established therefor, the amounts required by the documents pursuant to which the Subordinate Bonds are issued; and

FIFTH: To the credit of any other fund or account as may be designated by the District, to be used for any lawful purpose, any Senior Pledged Revenue remaining after the payments and accumulations set forth above.

Senior Bond Fund. Pursuant to the Senior Indenture, the Senior Bond Fund is established and held as an account of the Trustee. Subject to the receipt of sufficient Senior Pledged Revenue, there is to be credited to the Senior Bond Fund each Senior Bond Year an amount of Senior Pledged Revenue which, when combined with other legally available moneys in the Senior Bond Fund (not including moneys deposited thereto from other funds pursuant to the terms thereof), will be sufficient to pay the principal of, premium if any, and interest on the Series 2016A Senior Bonds which has or will become due in the Senior Bond Year in which the credit is made. Moneys in the Senior Bond Fund (including any moneys transferred thereto from other funds pursuant to the terms thereof) are to be used by the Trustee solely to pay the principal of, premium if any, and interest on the Series 2016A Senior Bonds, in the following order:

FIRST: To the payment of interest due in connection with the Series 2016A Senior Bonds (including without limitation current interest, accrued but unpaid interest, and interest due as a result of compounding, if any); and

SECOND: To the extent any moneys are remaining in the Senior Bond Fund after the payment of such interest, to the payment of the principal of and premium, if any, on the Series 2016A Senior Bonds, whether due at maturity or upon prior redemption.

In the event that available moneys in the Senior Bond Fund (including any moneys transferred thereto from other funds pursuant to the terms of the Senior Indenture) are insufficient for the payment of the principal of, premium if any, and interest due on the Series 2016A Senior Bonds on any due date, the Trustee is to apply such amounts on such due date as follows:

FIRST: The Trustee is to pay such amounts as are available, proportionally in accordance with the amount of interest due on each Series 2016A Senior Bond.

SECOND: The Trustee is to apply any remaining amounts to the payment of the principal of and premium, if any, on as many Series 2016A Senior Bonds as can be paid with such remaining amounts, such payments to be in increments of \$1,000 or any integral multiple thereof, plus any premium. Series 2016A Senior Bonds or portions thereof to be redeemed pursuant to such partial payment are to be selected by lot from the Series 2016A Senior Bonds the principal of which is due and owing on the due date.

Senior Surplus Fund. Moneys in the Senior Surplus Fund are to be used solely in accordance with the Senior Indenture. Subject to the receipt of sufficient Senior Pledged Revenue, the Senior Surplus Fund is to be maintained as provided in the Senior Indenture until the Conversion Date, after which the Senior Surplus Fund is to be terminated and any moneys therein are to be remitted to the District for application to any lawful purpose of the District, subject to any liens or encumbrances on such moneys, including without limitation any lien or encumbrance created under the terms of any Senior Bonds or Subordinate Bonds.

Subject to the receipt of sufficient Senior Pledged Revenue, the Senior Surplus Fund is to be funded in an amount up to the Maximum Surplus Amount (being the amount of \$1,104,500). The Senior

Surplus Fund is not to be funded with Series 2016A Senior Bond proceeds but is to be funded solely from deposits of Senior Pledged Revenue as described in the “Senior Flow of Funds” above, up to the Maximum Surplus Amount, and except to the extent Senior Pledged Revenue is available under such section, the District has no obligation to fund the Senior Surplus Fund in any amount. For purposes of the Senior Indenture, investments credited to the Senior Surplus Fund are to be valued on the basis of their current market value, as reasonably determined by the District, which value is to be determined at least annually.

In the event the amounts credited to the Senior Bond Fund are insufficient to pay the principal of, premium if any, or interest on the Series 2016A Senior Bonds when due, the Trustee is to transfer from the Senior Surplus Fund to the Senior Bond Fund an amount which, when combined with moneys in the Senior Bond Fund, will be sufficient to make such payments when due; and in the event the amounts in the Senior Bond Fund and the Senior Surplus Fund are insufficient to pay all principal, premium if any, and interest on any due date, the Trustee is to nonetheless transfer all of the moneys in the Senior Surplus Fund to the Senior Bond Fund. Amounts in the Senior Surplus Fund (a) are to be used for payment of the Series 2016A Senior Bonds before any use of moneys in the Senior Reserve Fund, and (b) are to not be used to redeem less than all of the Series 2016A Senior Bonds being called pursuant to any optional redemption provisions of the Senior Indenture but are to be used to pay Series 2016A Senior Bonds coming due as a result of any mandatory redemption provisions of the Senior Indenture.

So long as the amount of the Senior Surplus Fund is equal to the Maximum Surplus Amount, all interest income from the investment or reinvestment of moneys credited to the Senior Surplus Fund is to be credited to the Senior Bond Fund; provided that if the amount of the Senior Surplus Fund is less than the Maximum Surplus Amount, then such interest income is to be credited to the Senior Surplus Fund.

Notwithstanding the foregoing, the Senior Indenture provides that Permitted Refunding Bonds may be secured by the Senior Surplus Fund in the same fashion as the Series 2016A Senior Bonds remaining Outstanding after issuance of such Permitted Refunding Bonds, and if so secured, such Permitted Refunding Bonds shall have a claim upon the Senior Surplus Fund which ranks *pari passu* with the claim of the Series 2016A Senior Bonds remaining Outstanding after issuance of such Permitted Refunding Bonds.

Senior Reserve Fund. The Senior Reserve Fund is to be maintained by the Trustee in accordance with the provisions of the Senior Indenture for so long as any Series 2016A Senior Bond is Outstanding. Moneys in the Senior Reserve Fund are to be used by the Trustee, if necessary, only to prevent a default in the payment of the principal of, premium if any, or interest on the Series 2016A Senior Bonds, and the Senior Reserve Fund is pledged by the Senior Indenture to the payment of the Series 2016A Senior Bonds. In the event the amounts credited to the Senior Bond Fund and the Senior Surplus Fund are insufficient to pay the principal of, premium if any, or interest on the Series 2016A Senior Bonds when due, the Trustee is to transfer from the Senior Reserve Fund to the Senior Bond Fund an amount which, when combined with moneys in the Senior Bond Fund and the Senior Surplus Fund, will be sufficient to make such payments when due. In the event that moneys in the Senior Bond Fund, the Senior Surplus Fund, and the Senior Reserve Fund are together insufficient to make such payments when due, the Trustee will nonetheless transfer all moneys in the Senior Reserve Fund to the Senior Bond Fund. Moneys in the Senior Surplus Fund are to be used for payment of the Series 2016A Senior Bonds prior to any use of moneys in the Senior Reserve Fund.

Subject to the receipt of sufficient Senior Pledged Revenue, the Senior Reserve Fund is to be maintained in the amount of the Senior Required Reserve (being the amount of \$871,750) for so long as any Series 2016A Senior Bond is Outstanding. If at any time the Senior Reserve Fund is drawn upon or valued so that the amount of the Senior Reserve Fund is less than the Senior Required Reserve, then the

Trustee is to apply Pledged Revenue to the credit of the Senior Reserve Fund in amounts sufficient to bring the amount credited to the Senior Reserve Fund to the Senior Required Reserve. Such deposits and payments are to be made at the earliest practicable time, but in accordance with and subject to the limitations described above in “—*Senior Flow of Funds.*” Nothing in the Senior Indenture is to be construed as requiring the District to impose an ad valorem mill levy for the purpose of funding of the Senior Reserve Fund in excess of the Senior Required Mill Levy. For purposes of the Senior Indenture, investments credited to the Senior Reserve Fund are to be valued on the basis of their current market value, as reasonably determined by the District, which value is to be determined at least annually, and any deficiency resulting from such evaluation is to be replenished as aforesaid. The amount credited to the Senior Reserve Fund is never to exceed the amount of the Senior Required Reserve.

So long as the amount of the Senior Reserve Fund is equal to the Required Reserve, all interest income from the investment or reinvestment of moneys credited to the Senior Reserve Fund is to be credited to the Senior Bond Fund; provided that if the amount of the Senior Reserve Fund is less than the Required Reserve, then such interest income is to be credited to the Senior Reserve Fund.

Notwithstanding the foregoing, Permitted Refunding Bonds may be secured by the Senior Reserve Fund in the same fashion as the Series 2016A Senior Bonds remaining Outstanding after issuance of such Permitted Refunding Bonds, and if so secured, such Permitted Refunding Bonds shall have a claim upon the Senior Reserve Fund which ranks *pari passu* with the claim of the Series 2016A Senior Bonds remaining Outstanding after issuance of such Permitted Refunding Bonds.

Additional Covenants and Agreements of the District in Senior Indenture. The District irrevocably covenants in the Senior Indenture and agrees with each and every Owner that so long as any of the Series 2016A Senior Bonds remain Outstanding:

The District is not to dissolve, merge, or otherwise alter its corporate structure in any manner or to any extent as might materially adversely affect the security provided for the payment of the Series 2016A Senior Bonds, and will continue to operate and manage the District and its facilities in an efficient and economical manner in accordance with all applicable laws, rules, and regulations; provided, however, that the foregoing is not to prevent the District from dissolving pursuant to the provisions of the Special District Act.

At least once a year the District will cause an audit to be performed of the records relating to its revenues and expenditures, and the District is to use its best efforts to have such audit report completed no later than 210 days after the end of any calendar year. The foregoing covenant is to apply notwithstanding any State law audit exemptions that may exist. In addition, at least once a year in the time and manner provided by law, the District will cause a budget to be prepared and adopted. Copies of the budget and the audit will be filed and recorded in the places, time, and manner provided by law.

The District will carry general liability, public officials liability, and such other forms of insurance on insurable District property upon the terms and conditions, and issued by recognized insurance companies, as in the judgment of the District would ordinarily be carried by entities having similar properties of equal value, such insurance being in such amounts as will protect the District and its operations.

Each District official or other person having custody of any District funds or responsible for the handling of such funds, is to be bonded or insured against theft or defalcation at all times.

In the event any ad valorem taxes are not paid when due, the District is to diligently cooperate with the appropriate county treasurer to enforce the lien of such unpaid taxes against the property for which the taxes are owed.

In the event the Senior Pledged Revenue and other moneys available under the Senior Indenture for payment of the Series 2016A Senior Bonds are insufficient or are anticipated to be insufficient to pay the principal of, premium if any, and interest on the Series 2016A Senior Bonds when due, the District is to use its reasonable efforts to refinance, refund, or otherwise restructure the Series 2016A Senior Bonds so as to avoid such insufficiency.

In the event that the District imposes any Capital Fees, the District will enforce the collection of the same in such time and manner as the District reasonably determines will be most efficacious in collecting the same, including without limitation the bringing of an action to foreclose any statutory or contractual lien which may exist in connection therewith. Nothing in the Senior Indenture is to be construed as requiring the District to impose any Capital Fees.

In the event that an exemption from registration for the Series 2016A Senior Bonds under the Colorado Municipal Bond Supervision Act becomes available that permits the issuance or reissuance of the Series 2016A Senior Bonds in denominations of \$1,000 or integral multiples thereof, and if requested in writing by the Consent Parties with respect to not less than a majority in aggregate principal amount of the Series 2016A Senior Bonds, the District is to, at the expense of the Consent Parties so requesting, use its good faith efforts to obtain such an exemption, amend the Senior Indenture as may be required in connection therewith, and issue or reissue the Series 2016A Senior Bonds in denominations of \$1,000 or integral multiples thereof.

Additional Bonds. After issuance of the Series 2016A Senior Bonds, no Additional Bonds may be issued except in accordance with the provisions of the Senior Indenture, described below. The Senior Indenture does not limit the issuance or incurrence of obligations not included within the definition of Additional Bonds (as defined in APPENDIX B hereto). The Senior Indenture provides that the District is not to create, incur, assume, or suffer to exist any liens or encumbrances upon the ad valorem tax revenues of the District or the Senior Pledged Revenue or any part thereof superior to the lien thereon of the Series 2016A Senior Bonds. The Senior Indenture provides that the District may issue the Series 2016B Subordinate Bonds on such terms and conditions as may be determined by the District without compliance with any of the other terms and conditions in the Senior Indenture described below. In addition, as further described below, the District may issue Senior Bonds, Permitted Refunding Bonds, and Subordinate Bonds subject to certain terms and conditions in the Senior Indenture.

Senior Bonds. The District may issue Senior Bonds, on parity with the Series 2016A Senior Bonds, if such issuance is consented to by the Consent Parties with respect to a majority in aggregate principal amount of the Series 2016A Senior Bonds then Outstanding, provided that, with or without such consent, the District may issue Senior Bonds if each of the following conditions are met as of the date of issuance of such Senior Bonds:

No Event of Default has occurred and is continuing, and no amounts of principal or interest on the Series 2016A Senior Bonds or any other Senior Bonds are due but unpaid; provided that if such Event of Default or failure to pay principal or interest will be fully cured upon issuance of the Senior Bonds, this condition will be deemed to have been met.

The amount of the Senior Reserve Fund for the Series 2016A Senior Bonds is not less than the Senior Required Reserve.

A separate reserve fund is created for the security of the Senior Bonds then proposed to be issued in an amount not less than 10% of the issue price of such Senior Bonds or such lesser amount as may be permitted to be used for deposits of the proceeds of tax-exempt obligations to reasonably required reserve or replacement funds under then-existing federal income tax rules and regulations, such separate reserve fund to function in substantially the same fashion as the Senior Reserve Fund for the Series 2016A Senior Bonds, which separate reserve fund shall be fully funded as of the date of issuance of the Senior Bonds then proposed to be issued from the proceeds of such Senior Bonds or from any other source other than Pledged Revenue, and which may be replenished from Pledged Revenue in accordance with the Section of the Senior Indenture entitled “Flow of Funds.” See above under the caption “—Certain Senior Indenture Provisions—*Senior Flow of Funds.*”

A separate surplus fund is created for the security of the Senior Bonds then proposed to be issued to function in substantially the same fashion as the Senior Surplus Fund for the Series 2016A Senior Bonds, which separate surplus fund may be funded in whole or in part from excess Pledged Revenue in accordance with the Section of the Senior Indenture entitled “Flow of Funds,” up to a maximum amount of 10% of the issue price of such Senior Bonds then proposed to be issued. See above under the caption “—Certain Senior Indenture Provisions—*Senior Flow of Funds.*”

Upon issuance of the additional Senior Bonds, the Senior Debt to Assessed Ratio of the District will be fifty percent (50%) or less.

Permitted Refunding Bonds. The District may also issue Permitted Refunding Bonds (defined in the Senior Indenture as Senior Bonds issued for refunding or refinancing purposes) at such time or times and in such amounts as may be determined by the District in its absolute discretion so long as each of the following conditions are met:

Such refunding obligations are issued solely for the purpose of paying the costs of refunding all or any part of any obligation of the District which constitutes a lien upon the ad valorem tax revenues of the District or the Senior Pledged Revenue or any part thereof, which costs may include amounts sufficient to pay all expenses in connection with such refunding or refinancing, to fund reserve funds, sinking funds, and similar funds, and to pay the costs of letters of credit, credit facilities, interest rate exchange agreements, bond insurance, or other financial products pertaining to such refunding or refinancing.

Such refunding obligations do not increase the District’s scheduled debt service in any year from that which appertained prior to the issuance of such refunding obligations. For purposes of the foregoing, obligations issued for refunding purposes which have any scheduled payment dates in any year which is after the maturity of the obligations being refunded shall be deemed to increase the District’s debt service in any year.

If any additional reserve funds, surplus funds, sinking funds, or other similar funds or accounts are created for the additional security of such refunding obligations, the Series 2016A Senior Bonds shall also be secured thereby on a *pari passu* basis. It is the intent of the Senior Indenture that the refunding obligations may be secured by the Senior Reserve Fund and the Senior Surplus Fund in the same fashion as the Series 2016A Senior Bonds, as provided in the Sections thereof entitled “Reserve Fund” and “Surplus Fund.” See “THE SERIES 2016A SENIOR BONDS—Certain Senior Indenture Provisions—*Senior Reserve Fund* and —*Senior Surplus Fund.*”

Such refunding obligations are payable on the same day or days of the calendar year as the Series 2016A Senior Bonds, and are not subject to acceleration.

The ad valorem mill levy pledged to the payment of the refunding obligations shall be not higher than and subject to the same deductions and adjustments as the ad valorem mill levy pledged to the payment of the Series 2016A Senior Bonds.

The remedies for defaults under such refunding obligations are substantially the same as the remedies applicable to the Series 2016A Senior Bonds.

Subordinate Bonds. The District may issue Subordinate Bonds if such issuance is consented to by the Consent Parties with respect to a majority in aggregate principal amount of the Series 2016A Senior Bonds then Outstanding, provided that, with or without such consent, the District may issue Subordinate Bonds if each of the following conditions are met as of the date of issuance of such Subordinate Bonds:

The maximum mill levy which the District promises to impose for payment of the Subordinate Bonds is not higher than the maximum Senior Required Mill Levy (as described under paragraph (a) of the definition thereof) less the mill levy required to be applied in connection with the Series 2016A Senior Bonds, and subject to the same deductions and adjustments as the Senior Required Mill Levy.

The Subordinate Bonds are payable as to both principal and interest on an annual basis, on a date in any calendar year which is after the final principal or interest payment date due in that calendar year on the Series 2016A Senior Bonds.

District Certification. A written certificate by the President or Vice President or Treasurer of the District that the conditions for issuance of Additional Bonds set forth in the Senior Indenture are met is to conclusively determine the right of the District to authorize, issue, sell, and deliver such Additional Bonds in accordance with the Senior Indenture.

Events of Default. The Senior Indenture provides that the occurrence of any one or more of the following events or the existence of any one or more of the following conditions is to constitute an Event of Default under the Senior Indenture (whatever the reason for such event or condition and whether it is to be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there is to be no default or Event of Default thereunder except as provided in the Senior Indenture:

(a) Before the Unlimited Tax Receipt Date, the District fails or refuses to impose the Senior Required Mill Levy or to apply the Senior Pledged Revenue as required by the Senior Indenture;

(b) On and after the Unlimited Tax Receipt Date, the District fails to pay the principal of, premium if any, or interest on the Series 2016A Senior Bonds when due;

(c) The District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District in the Senior Indenture or the Senior Bond Resolution, other than as described in paragraph (a) or (b) above, and fails to remedy the same after notice thereof pursuant to the Senior Indenture; or

(d) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Series 2016A Senior Bonds.

The Senior Indenture includes an acknowledgement that due to the limited nature of the Senior Pledged Revenue, prior to the Unlimited Tax Receipt Date the failure to pay the principal of or interest on

the Series 2016A Senior Bonds when due does not, of itself, constitute an Event of Default under the Senior Indenture.

The Trustee is to give to the Owners of all Series 2016A Senior Bonds notice by mailing to the address shown on the registration books maintained by the Trustee, of all Events of Default known to the Trustee (as determined pursuant to the Senior Indenture), within ninety (90) days after the occurrence of such Event of Default unless such Event of Default is to have been cured before the giving of such notice; provided that, the Trustee is to be protected in withholding such notice if and so long as a committee of its corporate trust department in good faith determines that the withholding of such notice is not detrimental to the interests of the Owners.

No default under paragraph (c) above is to constitute an Event of Default until actual notice of such default by registered or certified mail is given by the Trustee or by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of all Series 2016A Senior Bonds Outstanding to the District, and the District is to have had thirty (30) days after receipt of such notice to correct said default or cause said default to be corrected, and is not to have corrected said default or caused said default to be corrected within the applicable period; provided, however, if said default be such that it cannot be corrected within the applicable period, it is not to constitute an Event of Default if corrective action is instituted within the applicable period and diligently pursued thereafter until the default is corrected.

Remedies on Occurrence of Event of Default. Upon the occurrence and continuance of an Event of Default, the Senior Indenture provides that the Trustee is to have the following rights and remedies which may be pursued:

(a) *Receivership.* Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners, the Trustee is to be entitled as a matter of right to the appointment of a receiver or receivers of the Trust Estate, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the District; but notwithstanding the appointment of any receiver or other custodian, the Trustee is to be entitled to the possession and control of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of the Senior Indenture to, the Trustee.

(b) *Suit for Judgment.* The Trustee may proceed to protect and enforce its rights and the rights of the Owners under the Special District Act, the Series 2016A Senior Bonds, the Senior Bond Resolution, the Senior Indenture, and any provision of law by such suit, action, or special proceedings as the Trustee, being advised by Counsel, is to deem appropriate.

(c) *Mandamus or Other Suit.* The Trustee may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce all rights of the Owners.

No recovery of any judgment by the Trustee is to in any manner or to any extent affect the lien of the Senior Indenture or any rights, powers, or remedies of the Trustee under the Senior Indenture, or any lien, rights, powers, and remedies of the Owners of the Series 2016A Senior Bonds, but such lien, rights, powers, and remedies of the Trustee and of the Owners are to continue unimpaired as before.

If any Event of Default under paragraphs (a) or (b) under the caption “—*Events of Default*” above is to have occurred and if requested by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Series 2016A Senior Bonds then Outstanding, the Trustee is to be obligated to exercise such one or more of the rights and powers conferred by the Senior Indenture as the

Trustee, being advised by Counsel, is to deem most expedient in the interests of the Owners; provided that the Trustee at its option is to be indemnified as provided in the Senior Indenture.

Acceleration of the Series 2016A Senior Bonds is not an available remedy for an Event of Default.

The Owners of a majority in aggregate principal amount of the Series 2016A Senior Bonds then Outstanding are to have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Senior Indenture, or for the appointment of a receiver, and any other proceedings under the Senior Indenture; provided that such direction is not to be otherwise than in accordance with the provisions thereof; and provided further that at its option the Trustee is to be indemnified as provided in the Senior Indenture.

No Owner of any Series 2016A Senior Bond is to have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of the Senior Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy thereunder, unless a default has occurred of which the Trustee has been notified as provided in the Senior Indenture, or of which under the Senior Indenture it is deemed to have notice, and unless such default is to have become an Event of Default and the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Series 2016A Senior Bonds then Outstanding are to have made written request to the Trustee and are to have offered reasonable opportunity either to proceed to exercise the powers granted in the Senior Indenture or to institute such action, suit, or proceedings in their own name, nor unless they have also offered to the Trustee indemnity as provided in the Senior Indenture, nor unless the Trustee is to thereafter fail or refuse to exercise the powers granted in the Senior Indenture, or to institute such action, suit, or proceeding in its own name; and such notification, request, and offer of indemnity are declared in every case at the option of the Trustee to be conditions precedent to any action or cause of action for the enforcement of the Senior Indenture, or for the appointment of a receiver or for any other remedy under the Senior Indenture; it being understood and intended that no one or more Owners of Series 2016A Senior Bonds are to have any right in any manner whatsoever to affect, disturb, or prejudice the lien of the Senior Indenture by his, her, its, or their action, or to enforce any right thereunder except in the manner therein provided and that all proceedings at law or in equity are to be instituted, had, and maintained in the manner therein provided and for the equal benefit of the Owners of all Series 2016A Senior Bonds then Outstanding.

The Trustee may in its discretion waive any Event of Default under the Senior Indenture and its consequences, and is to do so upon the written request of the Consent Parties with respect to not less than a majority in aggregate principal amount of all the Series 2016A Senior Bonds then Outstanding; provided, however, that there is not to be waived without the consent of the Consent Parties with respect to one hundred percent (100%) of the Series 2016A Senior Bonds then Outstanding as to which the Event of Default exists any Event of Default described in paragraphs (a) or (b) in “—Events of Default” above. In case of any such waiver, or in case any proceedings taken by the Trustee on account of any such default are to have been discontinued or abandoned or determined adversely to the Trustee, then in every such case the District, the Trustee, and the Owners are to be restored to their former positions and rights thereunder respectively, but no such waiver or rescission is to extend to any subsequent or other default, or impair any right consequent thereon.

Senior Indenture Supplements Not Requiring Consent. Subject to the provisions of the Senior Indenture, the District and the Trustee may, without the consent of or notice to the Owners or Consent Parties, enter into such indentures supplemental thereto, which supplemental indentures are to thereafter form a part thereof, for any one or more of the following purposes: (a) to cure any ambiguity, to cure,

correct, or supplement any formal defect or omission or inconsistent provision contained in the Senior Indenture, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to matters arising under the Senior Indenture, or to make any provisions for any other purpose if such provisions are necessary or desirable and do not materially adversely affect the interests of the Owners of the Series 2016A Senior Bonds; (b) to subject to the Senior Indenture additional revenues, properties, or collateral; (c) to grant or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Owners or the Trustee; and (d) to qualify the Senior Indenture under the Trust Indenture Act of 1939.

Senior Indenture Supplements Requiring Consent. Except for supplemental indentures delivered pursuant to the foregoing sentence, and subject to the provisions of the Senior Indenture, the Consent Parties with respect to not less than a majority in aggregate principal amount of the Series 2016A Senior Bonds then Outstanding are to have the right, from time to time, to consent to and approve the execution by the District and the Trustee of such indenture or indentures supplemental thereto as are to be deemed necessary or desirable by the District for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in the Senior Indenture; provided, however, that without the consent of the Consent Parties with respect to all the Outstanding Series 2016A Senior Bonds affected thereby, nothing contained in the Senior Indenture is to permit, or be construed as permitting: (a) a change in the terms of the maturity of any Outstanding Series 2016A Senior Bond, in the principal amount of any Outstanding Series 2016A Senior Bond, in the optional or mandatory redemption provisions applicable thereto, or the rate of interest thereon; (b) an impairment of the right of the Owners to institute suit for the enforcement of any payment of the principal of or interest on the Series 2016A Senior Bonds when due; (c) a privilege or priority of any Series 2016A Senior Bond or any interest payment over any other Series 2016A Senior Bond or interest payment; or (d) a reduction in the percentage in principal amount of the Outstanding Series 2016A Senior Bonds, the consent of whose Owners or Consent Parties is required for any such supplemental indenture.

THE SERIES 2016B SUBORDINATE BONDS

Description

The Series 2016B Subordinate Bonds will be issued in the principal amount, will be dated and will mature as indicated on the cover page of this Limited Offering Memorandum. For a complete statement of the details and conditions of the Series 2016B Subordinate Bond issue, reference is made to the Subordinate Indenture, a copy of which is available from the Underwriter prior to delivery of the Series 2016B Subordinate Bonds. See “INTRODUCTION—Additional Information.”

The Series 2016B Subordinate Bonds are authorized, issued and secured by and in accordance with the Subordinate Indenture. No covenant, agreement or other provision of the Senior Indenture secures or is otherwise made by the District or the Trustee for the benefit of Owners of the Series 2016B Subordinate Bonds.

Sources of Payment

The Series 2016B Subordinate Bonds are limited tax general obligations of the District secured by and payable from the Subordinate Pledged Revenue, consisting of moneys derived by the District from the following sources, net of any costs of collection: (i) the Subordinate Required Mill Levy; (ii) the Subordinate Capital Fee Revenue, if any; (iii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Subordinate Required Mill Levy; (iv) the amounts, if any, in the Senior Surplus Fund after the termination of such fund pursuant to the Senior Indenture; and (v) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the

Trustee for application as Subordinate Pledged Revenue. See “—Security for the Series 2016B Subordinate Bonds” below.

“Cash flow” Nature of Series 2016B Subordinate Bonds

The Series 2016B Subordinate Bonds are structured as “cash flow” bonds, meaning that there are no scheduled payments of principal thereof prior to the final maturity date. Rather, principal on the Series 2016B Subordinate Bonds is payable on the earliest practicable date following each November 15 (anticipated to occur, if at all, annually on December 15) from, and to the extent of, Subordinate Pledged Revenue available therefor, if any, in accordance with the terms of the Subordinate Indenture, pursuant to a special mandatory redemption more particularly described in “—Redemption—Mandatory Redemption” below and “—Certain Subordinate Indenture Provisions—*Subordinate Bond Fund; Mandatory Redemption.*” ***As demonstrated in the Financial Forecast, it is not anticipated that there will be any Subordinate Pledged Revenue available to pay debt service on the Series 2016B Subordinate Bonds until 2021. The Financial Forecast is based on certain assumptions more particularly set forth therein. There is no assurance that Subordinate Pledged Revenue will be sufficient to make payment on the Series 2016B Subordinate Bonds as projected in the Financial Forecast, or ever.*** See also the Financial Forecast, attached as APPENDIX A hereto, and “RISK FACTORS—Risks Inherent in Financial Forecasts.”

Notwithstanding anything in the Subordinate Indenture to the contrary, all of the Series 2016B Subordinate Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on December 16, 2056 paid prior to the Subordinate Bond Termination Date.

Authorized Denominations of the Series 2016B Subordinate Bonds

The Series 2016B Subordinate Bonds are being issued in “Authorized Denominations,” defined in the Subordinate Indenture to mean, initially, the amount of \$500,000 or any integral multiple of \$1,000 in excess thereof, provided that no individual Series 2016B Subordinate Bond may be in an amount which exceeds the principal amount coming due on any maturity date. Notwithstanding the foregoing, in the event a Series 2016B Subordinate Bond is partially redeemed under the Subordinate Indenture and the unredeemed portion is less than \$500,000, such unredeemed portion of such Series 2016B Subordinate Bond may nonetheless be issued in the largest possible denomination of less than \$500,000, in integral multiples of not less than \$1,000 each or any integral multiple thereof.

Payment of Principal and Interest

The Series 2016B Subordinate Bonds will bear interest at the rates set forth on the front cover hereof (computed on the basis of a 360-day year of twelve 30-day months) payable to the extent of Subordinate Pledged Revenue available therefor on each December 15, commencing December 15, 2016.

To the extent principal of any Series 2016B Subordinate Bond is not paid when due, such principal is to remain Outstanding until the Subordinate Bond Termination Date (defined below) and is to continue to bear interest at the rate then borne by the Series 2016B Subordinate Bond. To the extent interest on any Series 2016B Subordinate Bond is not paid when due, such interest is to compound on each interest payment date, at the rate then borne by the Series 2016B Subordinate Bond; provided, however, that notwithstanding anything in the Subordinate Indenture to the contrary, the District is not to be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Series 2016B Subordinate Bonds, including all payments of principal, premium if any, and interest, and all Series 2016B Subordinate Bonds will be deemed defeased and no longer Outstanding upon the payment by the District of such amount.

Notwithstanding anything in the Subordinate Indenture to the contrary, all of the Series 2016B Subordinate Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on December 16, 2056 (the “Subordinate Bond Termination Date”), regardless of the amount of principal and interest paid prior to the Subordinate Bond Termination Date; provided however, that the foregoing shall not relieve the District of the obligation to impose the Subordinate Required Mill Levy each year prior to the Subordinate Bond Termination Date and apply the Subordinate Pledged Revenue in the manner required in the Subordinate Indenture.

The principal of and premium, if any, on the Series 2016B Subordinate Bonds are payable in lawful money of the United States of America to the Owner of each Series 2016B Subordinate Bond upon maturity or prior redemption and presentation at the principal office of the Trustee. The interest on any Series 2016B Subordinate Bond is payable to the person in whose name such Series 2016B Subordinate Bond is registered, at his address as it appears on the registration books maintained by or on behalf of the District by the Trustee, at the close of business on the Subordinate Record Date, irrespective of any transfer or exchange of such Series 2016B Subordinate Bond subsequent to such Subordinate Record Date and prior to such interest payment date; provided that any such interest not so timely paid or duly provided for is to cease to be payable to the person who is the Owner thereof at the close of business on the Subordinate Record Date and is to be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of any such unpaid interest.

Payments for the principal of and interest on the Series 2016B Subordinate Bonds will be made as described in “APPENDIX E—BOOK-ENTRY-ONLY SYSTEM.”

Redemption

Optional Redemption. The Series 2016B Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, on December 15, 2021, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium of a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium
December 15, 2021, to December 14, 2022	3.00%
December 15, 2022, to December 14, 2023	2.00
December 15, 2023, to December 14, 2024	1.00
December 15, 2024, and thereafter	0.00

Mandatory Redemption. The Series 2016B Subordinate Bonds also are subject to mandatory redemption from Subordinate Pledged Revenue, if any, on deposit in the Subordinate Bond Fund, as more particularly described in “—Certain Subordinate Indenture Provisions—*Subordinate Bond Fund; Mandatory Redemption*” below.

General Redemption Provisions. Except as otherwise provided in the Subordinate Indenture, if less than all of the Series 2016B Subordinate Bonds within a maturity are to be redeemed on any prior redemption date, the Series 2016B Subordinate Bonds to be redeemed are to be selected by lot prior to the date fixed for redemption, in such manner as the Trustee is to determine. The Series 2016B Subordinate Bonds are to be redeemed only in integral multiples of \$1,000. In the event a Series 2016B Subordinate Bond is of a denomination larger than \$1,000, a portion of such Series 2016B Subordinate Bond may be redeemed, but only in the principal amount of \$1,000 or any integral multiple thereof. Such Series 2016B Subordinate Bond is to be treated for the purpose of redemption as that number of Series 2016B Subordinate Bonds which results from dividing the principal amount of such Series 2016B Subordinate

Bond by \$1,000. In the event a portion of any Series 2016B Subordinate Bond is redeemed, the Trustee is to, without charge to the Owner of such Series 2016B Subordinate Bond, authenticate and deliver a replacement Series 2016B Subordinate Bond or Series 2016B Subordinate Bonds for the unredeemed portion thereof.

Notice and Effect of Redemption. In the event any of the Series 2016B Subordinate Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the Series 2016B Subordinate Bonds or portions thereof to be redeemed will be given by the Trustee by mailing a copy of the redemption notice by first-class mail (postage prepaid), not less than twenty (20) days prior to the date fixed for redemption, to the Owner of each Series 2016B Subordinate Bond to be redeemed in whole or in part at the address shown on the registration books maintained by or on behalf of the District by the Trustee, provided that so long as the Bonds are held by DTC or any other Depository, such notice may be given by electronic means in lieu of mailed notice. Failure to give such notice by mailing to any Owner, or any defect therein, is not to affect the validity of any proceeding for the redemption of other Series 2016B Subordinate Bonds as to which no such failure or defect exists. The redemption of the Series 2016B Subordinate Bonds may be contingent or subject to such conditions as may be specified in the notice, and if funds for the redemption are not irrevocably deposited with the Trustee or otherwise placed in escrow and in trust prior to the giving of notice of redemption, the notice is to be specifically subject to the deposit of funds by the District. All Series 2016B Subordinate Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

Security for the Series 2016B Subordinate Bonds

Subordinate Pledged Revenue. The Series 2016B Subordinate Bonds are limited tax general obligations of the District secured by and payable from the Subordinate Pledged Revenue, consisting of moneys derived by the District from the following sources, net of any costs of collection: (i) the Subordinate Required Mill Levy; (ii) the Subordinate Capital Fee Revenue, if any; (iii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Subordinate Required Mill Levy; (iv) the amounts, if any, in the Senior Surplus Fund after the termination of such fund pursuant to the Senior Indenture; and (v) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

Subordinate Required Mill Levy. The definition of Subordinate Required Mill Levy is set forth below. The Series 2016B Subordinate Bonds are not secured by property lying within the District, but rather by, among other things, the District's obligation to annually determine, fix and certify a rate of levy, not to exceed the Subordinate Required Mill Levy, for ad valorem property taxes to the Broomfield County Board of County Commissioners in an amount sufficient to pay, along with other legally available revenues, the principal of, premium if any, and interest on the Series 2016B Subordinate Bonds. The Subordinate Indenture provides that in the event any ad valorem taxes are not paid when due, the District is to diligently cooperate with the Broomfield County Treasurer to enforce the lien of such unpaid taxes against the property for which the taxes are owed. See “—*Covenant to Impose the Subordinate Required Mill Levy*” below and “RISK FACTORS—Enforcement of Tax Collection by County.”

Definition of Subordinate Required Mill Levy; Limitations Resulting From Senior Required Mill Levy. Pursuant to the Subordinate Indenture, the District has covenanted to levy on all of the taxable property of the District the “Subordinate Required Mill Levy,” generally meaning an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in the amount of (i) 42.827 mills less the amount of the Senior Required Mill Levy and the number of mills necessary to pay unlimited mill levy debt, or (ii) such lesser mill levy which, after deduction of the Senior Required Mill Levy and the number of mills necessary to pay unlimited mill levy debt, and when

combined with other Subordinate Pledged Revenue legally available in the Subordinate Bond Fund, will permit the District to fully fund the Subordinate Bond Fund for the next Bond Year and pay all of the principal of and interest on the Series 2016B Subordinate Bonds in full; provided that if there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after the issuance of the Series 2016B Subordinate Bonds, are neither diminished nor enhanced as a result of such changes. The Subordinate Indenture states that it is the intent that if the amount of the Senior Required Mill Levy and the number of mills necessary to pay unlimited mill levy debt equals or exceeds 42.827 mills in any year, adjusted for changes in law as aforesaid, the Subordinate Required Mill Levy for that year shall be zero.

Notwithstanding the foregoing, the Indenture provides that in no event may the Subordinate Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Subordinate Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Subordinate Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

Subordinate Required Mill Levy Could be Zero. The District has pledged to impose a Subordinate Required Mill Levy for the payment of the Series 2016B Subordinate Bonds in an amount equal to 42.827 mills less the Senior Required Mill Levy and the number of mills necessary to pay unlimited mill levy debt of the District. Therefore, if the Senior Required Mill Levy and the number of mills necessary to pay unlimited mill levy debt of the District equals or exceeds 42.827 mills in any year (as adjusted for changes in law, if any), **the Subordinate Required Mill Levy for that year shall be zero.** See “THE SERIES 2016A SENIOR BONDS—Certain Senior Indenture Provisions—*Senior Flow of Funds*,” “—*Senior Surplus Fund*,” and “APPENDIX A—PROJECTED STATEMENT OF SOURCES AND USES OF CASH.”

Covenant To Impose the Subordinate Required Mill Levy. The Subordinate Indenture provides that for the purpose of paying the principal of, premium if any, and interest on the Series 2016B Subordinate Bonds, the District covenants to cause to be levied on all of the taxable property of the District, in addition to all other taxes, direct annual taxes in each of the years 2016 to 2045, inclusive (and, to the extent necessary to make up any overdue payments on the Series 2016B Subordinate Bonds, in each year subsequent to 2045) in the amount of the Subordinate Required Mill Levy. Nothing in the Subordinate Indenture is to be construed to require the District to levy an ad valorem property tax in an amount in excess of the Subordinate Required Mill Levy.

The Subordinate Indenture further provides that it is the duty of the Board, annually, at the time and in the manner provided by law for levying other District taxes, to ratify and carry out the provisions of the Subordinate Indenture with reference to the levying and collection of taxes; and the Board is to pursuant the terms of the Subordinate Indenture to levy, certify and collect said taxes in the manner provided by law for the purpose of paying the principal of, premium, if any, and interest on the Series 2016B Subordinate Bonds.

Notwithstanding anything in the Subordinate Indenture to the contrary, all of the Series 2016B Subordinate Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on December 16, 2056 (the “Subordinate Bond Termination Date”), regardless of the amount of principal and interest paid prior to the Subordinate Bond Termination Date; provided

however, that the foregoing shall not relieve the District of the obligation to impose the Subordinate Required Mill Levy each year prior to the year in which the Subordinate Bond Termination Date occurs and apply the Subordinate Pledged Revenue in the manner required in the Subordinate Indenture.

Specific Ownership Tax. “Specific Ownership Tax” is defined in the Subordinate Indenture to mean the specific ownership tax which is collected by the County and remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute. Only the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Subordinate Required Mill Levy is pledged to the payment of the Series 2016B Subordinate Bonds. As described herein, the portion of the Specific Ownership Tax that is collected as a result of the imposition of the Senior Required Mill Levy is pledged to the payment of the Series 2016A Senior Bonds, and the portion of the Specific Ownership Tax that is collected as the result of the District’s operations mill levy is anticipated to be applied to operational and administrative costs of the District. For additional information concerning the Specific Ownership Tax, see “THE SERIES 2016A SENIOR BONDS—Security for the Series 2016A Senior Bonds—*Specific Ownership Tax*” and “DISTRICT FINANCIAL INFORMATION—Specific Ownership Taxes.”

Certain Subordinate Indenture Provisions

The following is a description of certain provisions of the Subordinate Indenture and is subject in all respects to the more specific provisions of the Subordinate Indenture. See “APPENDIX B—SELECTED DEFINITIONS” for definitions of certain capitalized terms used below and elsewhere in this Limited Offering Memorandum.

Creation of Funds. Under the Subordinate Indenture, there are created and established the following funds and accounts, which are to be established with the Trustee and maintained by the Trustee in accordance with the provisions of the Subordinate Indenture:

- (a) the Subordinate Project Fund; and
- (b) the Subordinate Bond Fund.

Subordinate Project Fund.

In General. So long as no Event of Default under the Subordinate Indenture is to have occurred and be continuing, the Trustee will disburse funds from the Subordinate Project Fund in accordance with requisitions in substantially the form set forth in the Subordinate Indenture, signed by the District Representative or the President or Vice President of the District. Pursuant to the Subordinate Indenture, the Trustee may rely conclusively upon any such requisition received and is to have no obligation to make an independent investigation in connection therewith.

Termination of Subordinate Project Fund. The Subordinate Project Fund is to terminate at such time as no further moneys remain therein. Upon the receipt by the Trustee of a resolution of the District determining that all Project Costs have been paid, any balance remaining in the Subordinate Project Fund is to be credited to the Subordinate Bond Fund. In addition, upon the Trustee’s receipt of written notice of the District’s determination that the funds in the Subordinate Project Fund exceed the amount necessary to pay all Project Costs, such excess amount is to be credited to the Subordinate Bond Fund in the amounts determined by the District.

Event of Default. Upon the occurrence and continuance of an Event of Default under the Subordinate Indenture, the Trustee will cease disbursing moneys from the Subordinate Project Fund, but

instead is to apply such moneys in the manner provided by the Subordinate Indenture. See “—*Events of Default*” and “—*Remedies on Occurrence of Event of Default*” below.

Availability of Subordinate Pledged Revenue. The Subordinate Pledged Revenue is comprised primarily of revenues resulting from the Subordinate Required Mill Levy, which is subordinate to the Senior Required Mill Levy. The Senior Required Mill Levy (as more particularly described herein) generally comprises the number of mills necessary to pay the principal of, premium if any, and interest on the Series 2016A Senior Bonds as the same become due and payable, to replenish, if necessary, the Senior Reserve Fund up to the Required Reserve and to fund the Senior Surplus Fund up to the Maximum Surplus Amount, subject to the limitations of the Senior Required Mill Levy.

In order to assure the proper application of moneys constituting Senior Pledged Revenue, the Senior Indenture provides that, in addition to transferring the Senior Pledged Revenue to the Trustee as soon as practicable after the receipt thereof, on and after the date of issuance of any additional Senior Bonds (other than the Series 2016A Senior Bonds) or additional Subordinate Bonds (other than the Series 2016B Subordinate Bonds), the District is also to transfer to the Trustee all moneys pledged to the payment of such Senior Bonds or Subordinate Bonds which are derived from either ad valorem taxes of the District or Specific Ownership Taxes, and any such moneys are to constitute part of the Senior Trust Estate for the Series 2016A Senior Bonds.

As a result, Subordinate Pledged Revenue will be comprised only of those revenues remaining after the amounts required to be deposited under the Senior Indenture for the purpose of paying the principal of, premium if any, and interest on the Series 2016A Senior Bonds and any other Senior Bonds; funding the Senior Reserve Fund and any similar reserve fund for any other Senior Bonds; and funding the Senior Surplus Fund and any similar surplus fund for any other Senior Bonds, as more particularly provided in the Senior Flow of Funds under the Senior Indenture. See “THE SERIES 2016A SENIOR BONDS—Certain Senior Indenture Provisions—*Senior Flow of Funds*.”

Subordinate Flow of Funds. The Subordinate Indenture requires that upon issuance of the 2016B Subordinate Bonds, the District is to transfer to the Trustee any moneys then held by the District which constitute Subordinate Pledged Revenue, and thereafter the District is to transfer all amounts comprising Subordinate Pledged Revenue to the Trustee as soon as may be practicable after the receipt thereof.

The Trustee is to apply the Subordinate Pledged Revenue in the following order of priority. For purposes of the following: (a) when credits to more than one fund, account, or purpose are required at any single priority level, such credits are to rank *pari passu* with each other, and (b) when credits are required to go to funds or accounts which are not held by the Trustee under the Subordinate Indenture, the Trustee may rely upon the written instructions of the District with respect to the appropriate funds or accounts to which such credits are to be made.

FIRST: To the credit of the Subordinate Bond Fund, the amounts described below under “—Subordinate Bond Fund; Mandatory Redemption,” and to the credit of any other similar fund or account established for the payment of the principal of and interest on any additional Subordinate Bonds, including any sinking fund, reserve fund, or similar fund or account established in connection with such additional Subordinate Bonds, the amounts required by the resolution or other enactment authorizing issuance of such additional Subordinate Bonds; and

SECOND: To the credit of any other fund or account as may be designated by the District, to be used for any lawful purpose (including without limitation the payment of any Second Subordinate

Bonds), any Subordinate Pledged Revenue remaining after the payments and accumulations set forth above.

Subordinate Bond Fund; Mandatory Redemption. Pursuant to the Subordinate Indenture, the Subordinate Bond Fund is established and held as an account of the Trustee. For so long as the Series 2016B Subordinate Bonds are the only Subordinate Bonds then Outstanding, all Subordinate Pledged Revenue received by the Trustee is to be credited to the Subordinate Bond Fund as soon as is practicable after the receipt by the District of any moneys constituting Subordinate Pledged Revenue until the amount therein is sufficient to fully pay, satisfy, and discharge all of the Series 2016B Subordinate Bonds. **Notwithstanding anything in the Subordinate Indenture to the contrary, all of the Series 2016B Subordinate Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on December 16, 2056 (the “Subordinate Bond Termination Date”), regardless of the amount of principal and interest paid prior to the Subordinate Bond Termination Date.** If any Subordinate Bonds other than the Series 2016B Subordinate Bonds are issued, the District will so inform the Trustee in writing, and thereafter the Subordinate Pledged Revenue is to be allocated between the Series 2016B Subordinate Bonds and such other Subordinate Bonds on a pro rata basis, in accordance with the relative outstanding principal amounts of such issues.

Use of Moneys. Moneys in the Subordinate Bond Fund are to be used by the Trustee solely to pay the principal of and interest on the Series 2016B Subordinate Bonds, in the following order:

FIRST: To the payment of interest due in connection with the Series 2016B Subordinate Bonds (including without limitation current interest, accrued but unpaid interest, and interest due as a result of compounding, if any); and

SECOND: To the extent any moneys are remaining in the Subordinate Bond Fund after the payment of such interest, to the payment of the principal of the Series 2016B Subordinate Bonds, whether due at maturity or upon prior redemption, as more particularly described below under “—*Mandatory Redemption.*”

In the event that available moneys in the Subordinate Bond Fund are insufficient for the payment of the principal of and interest due on the Series 2016B Subordinate Bonds on any due date, the Trustee is to apply such amounts on such due date as follows:

FIRST: The Trustee is to pay such amounts as are available, proportionally in accordance with the amount of interest due on each Series 2016B Subordinate Bond; and

SECOND: The Trustee is to apply any remaining amounts to the payment of the principal of as many Series 2016B Subordinate Bonds as can be paid with such remaining amounts, such payments to be in increments of \$1,000 or any integral multiple thereof. Series 2016B Subordinate Bonds or portions thereof to be redeemed pursuant to such partial payment are to be selected by lot from the Series 2016B Subordinate Bonds the principal of which is due and owing on the due date.

Mandatory Redemption. On each November 15, the Trustee is to determine the amount credited to the Subordinate Bond Fund and, to the extent the amount therein is in excess of the amount required to pay interest on the Series 2016B Subordinate Bonds due on the next succeeding interest payment date (including current interest, accrued but unpaid interest, and interest due as a result of compounding, if any), the Trustee is to promptly give such notice of redemption and take such other actions as necessary to redeem as many Series 2016B Subordinate Bonds as can be redeemed with such excess moneys. Such redemptions is to be made by the Trustee on the earliest practicable date, and amounts insufficient to redeem at least one Series 2016B Subordinate Bond in the denomination of \$1,000 will be retained in the

Subordinate Bond Fund. The mandatory redemption described in this paragraph is to be made by the Trustee without further instruction from the District and notwithstanding any instructions from the District to the contrary.

Additional Covenants and Agreements of the District. The District irrevocably covenants in the Subordinate Indenture and agrees with each and every Owner that so long as any of the Series 2016B Subordinate Bonds remain Outstanding:

(a) The District is not to dissolve, merge, or otherwise alter its corporate structure in any manner or to any extent as might materially adversely affect the security provided for the payment of the Series 2016B Subordinate Bonds, and will continue to operate and manage the District and its facilities in an efficient and economical manner in accordance with all applicable laws, rules, and regulations; provided, however, that the foregoing is not to prevent the District from dissolving pursuant to the provisions of the Special District Act.

(b) At least once a year the District will cause an audit to be performed of the records relating to its revenues and expenditures, and the District is to use its best efforts to have such audit report completed no later than 210 days after the end of any calendar year. The foregoing covenant is to apply notwithstanding any State law audit exemptions that may exist. In addition, at least once a year in the time and manner provided by law, the District will cause a budget to be prepared and adopted. Copies of the budget and the audit will be filed and recorded in the places, time, and manner provided by law.

(c) The District will carry general liability, public officials liability, and such other forms of insurance on insurable District property upon the terms and conditions, and issued by recognized insurance companies, as in the judgment of the District would ordinarily be carried by entities having similar properties of equal value, such insurance being in such amounts as will protect the District and its operations.

(d) Each District official or other person having custody of any District funds, or responsible for the handling of such funds, is to be bonded or insured against theft or defalcation at all times.

(e) In the event any ad valorem taxes are not paid when due, the District is to diligently cooperate with the appropriate county treasurer to enforce the lien of such unpaid taxes against the property for which the taxes are owed.

(f) In the event that the District imposes any Capital Fees, the District will enforce the collection of the same in such time and manner as the District reasonably determines will be most efficacious in collecting the same, including without limitation the bringing of an action to foreclose any statutory or contractual lien which may exist in connection therewith. Nothing in the Subordinate Indenture shall be construed as requiring the District to impose any Capital Fees.

(g) The District will not amend or supplement any of the documents pertaining to the Series 2016A Senior Bonds or any other Senior Bonds in any way which (i) alters the amortization of the principal of the Series 2016A Senior Bonds or other Senior Bonds; (ii) increases the rate or rates of interest borne by the Series 2016A Senior Bonds or other Senior Bonds; or (iii) alters the provisions pertaining to the release of the Senior Surplus Fund as provided in the Senior Indenture without the prior written consent of the Consent Parties with respect to 100% in aggregate principal amount of the Series 2016B Subordinate Bonds.

(h) The District will not use moneys in the Senior Surplus Fund in connection with any refunding or defeasance of all or any part of the Series 2016A Senior Bonds (or, if secured thereby, any Permitted Refunding Bonds) except upon the prior written consent of the Consent Parties with respect to 100% in aggregate principal amount of the Series 2016B Subordinate Bonds. The foregoing shall not be construed to apply to or affect the use of such moneys to secure the Series 2016A Senior Bonds (or, if secured thereby, any Permitted Refunding Bonds) in the manner set forth in the Senior Indenture.

Additional Bonds. After issuance of the Series 2016B Subordinate Bonds, the District is not to issue any Additional Bonds (as defined in APPENDIX B hereto) except as provided in the Subordinate Indenture (as described below) and, for so long as the Senior Indenture is in effect, as limited by the Senior Indenture. See “THE SERIES 2016A SENIOR BONDS—Certain Senior Indenture Provisions—*Additional Bonds.*” Nothing in the Subordinate Indenture is to affect or restrict the right of the District to issue or incur obligations which are not Additional Bonds thereunder.

Senior Series 2016A Senior Bonds. The Subordinate Indenture provides that the District may issue the Series 2016A Senior Bonds at such time or times and in such amounts as may be determined by the District in its absolute discretion.

Permitted Refunding Bonds. In addition, the Subordinate Indenture provides that the District may issue Permitted Refunding Bonds at such time or times and in such amounts as may be determined by the District in its absolute discretion. “Permitted Refunding Bonds” are defined in the Subordinate Indenture to mean Senior Bonds issued for refunding or refinancing purposes, so long as each of the following conditions are met:

(a) Subject to the provisions of (f) hereafter, such refunding obligations are issued solely for the purpose of paying the costs of refunding all or any part of any Senior Bonds, which costs may include amounts sufficient to pay all expenses in connection with such refunding or refinancing, to fund reserve funds, sinking funds, and similar funds, and to pay the costs of letters of credit, credit facilities, interest rate exchange agreements, bond insurance, or other financial products pertaining to such refunding or refinancing.

(b) Such refunding obligations do not increase the District’s scheduled debt service with respect to Senior Bonds in any year from that which appertained prior to the issuance of such refunding obligations. For purposes of the foregoing, obligations issued for refunding purposes which have any scheduled payment dates in any year which is after the maturity of the obligations being refunded shall be deemed to increase the District’s debt service in any year.

(c) No additional reserve funds, surplus funds, sinking funds, or other similar funds or accounts are created for the additional security of such refunding obligations if such funds or accounts are funded or replenished from the District’s ad valorem taxes, Capital Fees, or Specific Ownership Taxes; provided that (i) the refunding obligations may be secured by the Senior Reserve Fund in the same fashion as the Series 2016A Senior Bonds, as provided in the Senior Indenture so long as the Senior Required Reserve is not increased; (ii) the refunding obligations may be secured by the Senior Surplus Fund in the same fashion as the Series 2016A Senior Bonds, as provided in the Senior Indenture so long as the Maximum Surplus Amount is not increased; and (iii) nothing herein shall be construed as prohibiting the creation of any such additional reserve funds, surplus funds, sinking funds, or other similar funds or accounts which are funded and replenished solely from sources of revenue other than the District’s ad valorem taxes, Capital Fees, or Specific Ownership Taxes.

(d) Such refunding obligations are payable on the same day or days of the calendar year as the Senior Bonds being refunded, and are not subject to acceleration.

(e) The ad valorem mill levy pledged to the payment of the refunding obligations shall be not higher than and subject to the same deductions and adjustments as the ad valorem mill levy pledged to the payment of the Senior Bonds being refunded.

(f) The remedies for defaults under such refunding obligations are substantially the same as the remedies applicable to the Senior Bonds being refunded.

(g) Notwithstanding the provisions of (a) above, Permitted Refunding Bonds issued to refund Senior Bonds may also include amounts to refund a portion of the Bonds so long as the foregoing tests are met with respect to the Senior Bonds being refunded.

Second Subordinate Bonds. The Subordinate Indenture defines “Second Subordinate Bonds” as Additional Bonds payable in whole or in part from any Subordinate Pledged Revenue available under clause SECOND of the section of the Subordinate Indenture described above under the caption “THE SERIES 2016B SUBORDINATE BONDS—Certain Subordinate Indenture Provisions—*Subordinate Flow of Funds*” and not from Subordinate Pledged Revenue available under clause FIRST of such section. For purposes of this definition, Additional Bonds having a lien upon the District’s ad valorem tax revenues shall be considered obligations having a lien upon the Subordinate Pledged Revenue or any part thereof. Any Second Subordinate Bonds issued after the issuance of the Series 2016B Subordinate Bonds may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District.

The Subordinate Indenture provides that the District may issue Second Subordinate Bonds if each of the following conditions is met as of the date of issuance of such Second Subordinate Bonds:

(a) The maximum mill levy which the District promises to impose for payment of the Second Subordinate Bonds is not higher than the maximum Subordinate Required Mill Levy, and subject to the same deductions and adjustments as the Subordinate Required Mill Levy.

(b) No amounts can be payable on the Second Subordinate Bonds so long as any Series 2016B Subordinate Bonds are Outstanding.

Issuance by Consent. Except as described above, the Subordinate Indenture provides that the District may issue Additional Bonds only if the Consent Parties with respect to 100% in aggregate principal amount of the Series 2016B Subordinate Bonds then Outstanding consent to the issuance of the Additional Bonds.

Events of Default. The Subordinate Indenture provides that the occurrence of any one or more of the following events or the existence of any one or more of the following conditions is to constitute an Event of Default under the Subordinate Indenture (whatever the reason for such event or condition and whether it is voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there is to be no default or Event of Default thereunder except as provided in the Subordinate Indenture:

(a) The District fails or refuses to impose the Subordinate Required Mill Levy or to apply the Subordinate Pledged Revenue as required by the Subordinate Indenture;

(b) The District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District in the Subordinate Indenture or the Subordinate Bond Resolution, other than as described in paragraph (a) above, and fails to remedy the same after notice thereof pursuant to the Subordinate Indenture; or

(c) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Series 2016B Subordinate Bonds.

The Subordinate Indenture acknowledges that due to the limited nature of the Subordinate Pledged Revenue, the failure to pay the principal of or interest on the Series 2016B Subordinate Bonds when due does not, of itself, constitute an Event of Default thereunder.

The Trustee is to give to the Owners of all Series 2016B Subordinate Bonds notice by mailing to the address shown on the registration books maintained by the Trustee, of all Events of Default known to the Trustee (as determined pursuant to the Subordinate Indenture), within ninety (90) days after the occurrence of such Event of Default unless such Event of Default is to have been cured before the giving of such notice; provided that, the Trustee is to be protected in withholding such notice if and so long as a committee of its corporate trust department in good faith determines that the withholding of such notice is not detrimental to the interests of the Owners.

No default under paragraph (b) above is to constitute an Event of Default until actual notice of such default by registered or certified mail is to be given by the Trustee or by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of all Series 2016B Subordinate Bonds Outstanding to the District, and the District is to have had thirty (30) days after receipt of such notice to correct said default or cause said default to be corrected, and is not to have corrected said default or caused said default to be corrected within the applicable period; provided, however, if said default be such that it cannot be corrected within the applicable period, it is not to constitute an Event of Default if corrective action is instituted within the applicable period and diligently pursued thereafter until the default is corrected.

Remedies on Occurrence of Event of Default. Upon the occurrence and continuance of an Event of Default, the Subordinate Indenture provides that the Trustee is to have the following rights and remedies which may be pursued:

(a) *Receivership.* Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners, the Trustee is to be entitled as a matter of right to the appointment of a receiver or receivers of the Subordinate Trust Estate, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the District; but notwithstanding the appointment of any receiver or other custodian, the Trustee is to be entitled to the possession and control of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of the Subordinate Indenture to, the Trustee.

(b) *Suit for Judgment.* The Trustee may proceed to protect and enforce its rights and the rights of the Owners under the Special District Act, the Series 2016B Subordinate Bonds, the Subordinate Bond Resolution, the Subordinate Indenture, and any provision of law by such suit, action, or special proceedings as the Trustee, being advised by Counsel, is to deem appropriate.

(c) *Mandamus or Other Suit.* The Trustee may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce all rights of the Owners.

No recovery of any judgment by the Trustee is to in any manner or to any extent affect the lien of the Subordinate Indenture or any rights, powers, or remedies of the Trustee thereunder, or any lien, rights, powers, and remedies of the Owners of the Series 2016B Subordinate Bonds, but such lien, rights, powers, and remedies of the Trustee and of the Owners are to continue unimpaired as before.

If any Event of Default under paragraph (a) in “—*Events of Default*” above is to have occurred and if requested by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Series 2016B Subordinate Bonds then Outstanding, the Trustee is to be obligated to exercise such one or more of the rights and powers conferred by the Subordinate Indenture as the Trustee, being advised by Counsel, is to deem most expedient in the interests of the Owners; provided that the Trustee at its option is to be indemnified as in the Subordinate Indenture.

Acceleration of the Series 2016B Subordinate Bonds is not an available remedy for an Event of Default.

The Owners of a majority in aggregate principal amount of the Series 2016B Subordinate Bonds then Outstanding are to have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Subordinate Indenture, or for the appointment of a receiver, and any other proceedings thereunder; provided that such direction is not to be otherwise than in accordance with the provisions thereof; and provided further that at its option the Trustee is to be indemnified as provided in the Subordinate Indenture.

No Owner of any Bond is to have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of the Subordinate Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy thereunder, unless a default has occurred of which the Trustee has been notified as provided in the Subordinate Indenture, or of which under the Subordinate Indenture it is deemed to have notice, and unless such default is to have become an Event of Default and the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Series 2016B Subordinate Bonds then Outstanding are to have made written request to the Trustee and are to have offered reasonable opportunity either to proceed to exercise the powers granted in the Subordinate Indenture or to institute such action, suit, or proceedings in their own name, nor unless they have also offered to the Trustee indemnity as provided in the Subordinate Indenture, nor unless the Trustee is to thereafter fail or refuse to exercise the powers granted in the Subordinate Indenture, or to institute such action, suit, or proceeding in its own name; and such notification, request, and offer of indemnity are declared in every case at the option of the Trustee to be conditions precedent to any action or cause of action for the enforcement of the Subordinate Indenture, or for the appointment of a receiver or for any other remedy thereunder; it being understood and intended that no one or more Owners of Series 2016B Subordinate Bonds are to have any right in any manner whatsoever to affect, disturb, or prejudice the lien of the Subordinate Indenture by his, her, its, or their action, or to enforce any right thereunder except in the manner therein provided and that all proceedings at law or in equity are to be instituted, had, and maintained in the manner therein provided and for the equal benefit of the Owners of all Series 2016B Subordinate Bonds then Outstanding.

The Trustee may in its discretion waive any Event of Default thereunder and its consequences, and is to do so upon the written request of the Consent Parties with respect to not less than a majority in aggregate principal amount of all the Series 2016B Subordinate Bonds then Outstanding; provided, however, that there is not to be waived without the consent of the Consent Parties with respect to one hundred percent (100%) of the Series 2016B Subordinate Bonds then Outstanding as to which the Event of Default exists any Event of Default described in paragraph (a) in “—*Events of Default*” above. In case

of any such waiver, or in case any proceedings taken by the Trustee on account of any such default is to have been discontinued or abandoned or determined adversely to the Trustee, then in every such case the District, the Trustee, and the Owners are to be restored to their former positions and rights thereunder respectively, but no such waiver or rescission is to extend to any subsequent or other default, or impair any right consequent thereon.

Subordinate Indenture Supplements Not Requiring Consent. Subject to the provisions of the Subordinate Indenture, the District and the Trustee may, without the consent of or notice to the Owners or Consent Parties, enter into such indentures supplemental thereto, which supplemental indentures are to thereafter form a part thereof, for any one or more of the following purposes: (a) to cure any ambiguity, to cure, correct, or supplement any formal defect or omission or inconsistent provision contained in the Subordinate Indenture, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to matters arising under the Subordinate Indenture, or to make any provisions for any other purpose if such provisions are necessary or desirable and do not materially adversely affect the interests of the Owners of the Series 2016B Subordinate Bonds; (b) to subject to the Subordinate Indenture additional revenues, properties, or collateral; (c) to grant or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Owners or the Trustee; and (d) to qualify the Subordinate Indenture under the Trust Indenture Act of 1939.

Subordinate Indenture Supplements Requiring Consent. Except for supplemental indentures delivered pursuant to the foregoing sentence, and subject to the provisions of the Subordinate Indenture, the Consent Parties with respect to not less than a majority in aggregate principal amount of the Series 2016B Subordinate Bonds then Outstanding are to have the right, from time to time, to consent to and approve the execution by the District and the Trustee of such indenture or indentures supplemental thereto as are to be deemed necessary or desirable by the District for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in the Subordinate Indenture; provided, however, that without the consent of the Consent Parties with respect to all the Outstanding Series 2016B Subordinate Bonds affected thereby, nothing contained in the Subordinate Indenture is to permit, or be construed as permitting: (a) a change in the terms of the maturity of any Outstanding Series 2016 Subordinate Bond, in the principal amount of any Outstanding Bond, in the optional or mandatory redemption provisions applicable thereto, or the rate of interest thereon; (b) an impairment of the right of the Owners to institute suit for the enforcement of any payment of the principal of or interest on the Series 2016B Subordinate Bonds when due; (c) a privilege or priority of any Series 2016B Subordinate Bond or any interest payment over any other Series 2016B Subordinate Bond or interest payment; or (d) a reduction in the percentage in principal amount of the Outstanding Series 2016B Subordinate Bonds, the consent of whose Owners or Consent Parties is required for any such supplemental indenture.

USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS

Application of Bond Proceeds

General. Proceeds from the sale of the Bonds will be used for the purposes of funding and reimbursing a portion of the costs of acquiring, constructing, and installing certain Public Improvements and paying other costs in connection with the Bonds, and, with respect to proceeds of the Series 2016A Senior Bonds only: (a) funding the Senior Reserve Fund and (b) funding a portion of interest to accrue on the Series 2016A Senior Bonds.

Sources and Uses of Funds. The uses of the proceeds of the Bonds and funds available from other sources are as follows:

Sources:

Series 2016A Senior Bonds Par Amount ¹	\$11,281,329.60
Series 2016B Subordinate Bonds Par Amount	<u>1,555,000.00</u>
Total	<u>\$12,836,329.60</u>

Uses:

Deposit to Senior Project Fund	\$ 8,695,566.38
Deposit to Subordinate Project Fund	1,508,350.00
Deposit to Senior Bond Fund (Capitalized Interest)	1,267,118.22
Deposit to Senior Reserve Fund	871,750.00
Costs of issuance, including underwriting discount ² and contingency	<u>493,545.00</u>
Total	<u>\$12,836,329.60</u>

¹ Includes original issue premium of \$236,329.60.

² See "MISCELLANEOUS—Underwriting."

Source: The Underwriter

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Debt Service Requirements

Set forth in the following table are the debt service requirements for the Series 2016A Senior Bonds and the estimated debt service requirements for the Series 2016B Subordinate Bonds.

TABLE I
Debt Service Requirements

Year	Series 2016A Senior Bonds ¹		Series 2016B Subordinate Bonds ²		Annual Total
	Principal	Interest	Principal	Interest	
2016	--	\$ 187,708	--	\$ 99,898	\$ 287,606
2017	--	540,600	--	112,737	653,337
2018	--	540,600	--	112,738	653,338
2019	--	540,600	--	112,737	653,337
2020	\$ 55,000	540,600	--	112,738	708,338
2021	145,000	538,400	--	112,737	796,137
2022	165,000	532,600	--	112,738	810,338
2023	175,000	526,000	--	112,737	813,737
2024	195,000	519,000	--	112,738	826,738
2025	205,000	511,200	--	112,737	828,937
2026	225,000	503,000	--	112,738	840,738
2027	235,000	494,000	--	112,737	841,737
2028	260,000	482,250	--	112,738	854,988
2029	275,000	469,250	--	112,737	856,987
2030	300,000	455,500	--	112,738	868,238
2031	315,000	440,500	--	112,737	868,237
2032	350,000	424,750	--	112,738	887,488
2033	365,000	407,250	--	112,737	884,987
2034	400,000	389,000	--	112,738	901,738
2035	420,000	369,000	--	112,737	901,737
2036	455,000	348,000	--	112,738	915,738
2037	480,000	325,250	--	112,737	917,987
2038	520,000	301,250	--	112,738	933,988
2039	545,000	275,250	--	112,737	932,987
2040	590,000	248,000	--	112,738	950,738
2041	620,000	218,500	--	112,737	951,237
2042	665,000	187,500	--	112,738	965,238
2043	700,000	154,250	--	112,737	966,987
2044	750,000	119,250	--	112,738	981,988
2045	790,000	81,750	--	112,737	984,487
2046	845,000	42,250	\$1,555,000	56,369	2,498,619
Total	<u>\$11,045,000</u>	<u>\$11,713,058</u>	<u>\$1,555,000</u>	<u>\$3,425,654</u>	<u>\$27,738,712</u>

¹ Assumes no redemptions, other than mandatory sinking fund redemptions, prior to maturity. Figures have been rounded.

² Principal and interest on the Series 2016B Subordinate Bonds are payable solely from and to the extent of Subordinate Pledged Revenue available therefor. There are no scheduled principal payments on the Series 2016B Subordinate Bonds until final maturity. The amounts set forth herein reflect the projected payments on the Series 2016B Subordinate Bonds as set forth in the Financial Forecast, based upon the assumptions more particularly set forth therein. No assurance is given that the level of Subordinate Pledged Revenue projected in the Financial Forecast will be achieved, or that payment of the principal of or interest on the Series 2016B Subordinate Bonds will be paid as set forth in this table. Failure to pay the amounts set forth above with respect to the Series 2016B Subordinate Bonds will not constitute an event of default under the Subordinate Indenture. Figures have been rounded. See "THE SERIES 2016B SUBORDINATE BONDS—"Cash-Flow" Nature of Series 2016B Subordinate Bonds" and the Financial Forecast attached hereto as APPENDIX A.

Source: The Underwriter

THE DISTRICT

Organization and History

The District is a quasi-municipal corporation and political subdivision of the State created pursuant to the Special District Act set forth in Title 32, Article 1, C.R.S. (the “Special District Act”). On August 28, 2001, Broomfield approved a service plan (the “Original Service Plan”) for the 166-acre Great Western Park Metropolitan District (the “Original District”). Development within the Original District did not occur as anticipated, and in 2008 the Original District submitted a First Modification to Original Service Plan to Broomfield setting forth, among other things, a change in the plan of development, modifications to the boundaries of the Original District and the change of the name of the Original District to Great Western Park Metropolitan District No. 3 (“District No. 3”). At the same time, separate service plans were submitted to and approved by Broomfield for the District and District No. 1. The Districts were organized as part of a common plan to serve the approximately 240-acre master planned Great Western Park development (“Great Western”) located in the southwestern portion of Broomfield. The District, comprised of approximately 168 acres, represents the residential component of Great Western; and District No. 3, comprised of approximately 79 acres, represents the commercial component of Great Western. Property within the District is being developed as an age-restricted residential development known as “Skystone” and is planned to include approximately 518 single family residential units, including patio homes and cluster homes. See “THE DISTRICT. See also “AERIAL MAP,” “DEVELOPMENT SITE PLAN” and “REGIONAL MAP.”

The creation of the District was approved by the eligible electors of the District voting at an election held on November 4, 2008 (the “2008 Election”). The Order and Decree Creating District was recorded by the County District Court on December 17, 2008, with an Order Amending Order and Decree to Correct Error in District Legal Description recorded by the County District Court on March 31, 2009.

The District operates in accordance with the authority, and subject to the limitations, of the service plan approved by Broomfield on September 9, 2008 (the “Service Plan”). Pursuant to the Service Plan and Title 32, Article 1, et seq., Colorado Revised Statutes, as amended (“C.R.S”), the District is authorized to provide a part or all of the public improvements, including the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of water, sewer, street, safety protection, parks and recreation, transportation, television relay and translation facilities, mosquito control and limited fire protection services within and without the boundaries of the District to serve the inhabitants and taxpayers of the District pursuant to the District’s Service Plan and the Special District Act (as previously defined, collectively, the “Public Improvements”). The District is to dedicate the Public Improvements to Broomfield, the Fire District or other appropriate jurisdiction for operation and maintenance.

District Powers

The rights, powers, privileges, authorities, functions and duties of the District are established by the laws of the State, particularly the Special District Act. The powers of the District are, however, limited both by the provisions of its Service Plan and its electoral authorization. See “—Service Plan Limitations” below.

Generally, the District has the power to have a perpetual existence; to have and use a corporate seal; to enter into contracts and agreements; to sue and be sued and to be a party to suits, actions and proceedings; to borrow money and incur indebtedness and to issue bonds; to acquire, dispose of and encumber real and personal property, and any interest therein; to have the management, control and supervision of all the business and affairs of the District and all construction, installation, operation, and

maintenance of improvements; to appoint, hire and retain agents, employees, engineers and attorneys; to fix and from time to time to increase or decrease fees, rates, tolls, penalties or charges for services, programs, or facilities furnished by the District; to furnish services and facilities within and without the boundaries of the District and to establish fees, rates, tolls, penalties or charges for such services and facilities; to accept real and personal property for use of the District and to accept gifts and conveyances made to the District; to adopt, amend and enforce bylaws and rules and regulations not in conflict with the Constitution of the State for carrying on the business, objects, and affairs of the Board; to enter into contracts with public utilities, cooperative electric associations, and municipalities for the purpose of providing street lighting service; to erect and maintain, in providing safety protection services, traffic and safety controls and devices on streets and highways; and to have and exercise all rights and powers necessary in, incidental to or implied from the specific powers granted to the District. The District also has the power, subject to constitutional and statutory limitations, to certify a levy for the collection of ad valorem taxes against all taxable property of the District. See “DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Taxes.”

Inclusions and Exclusions. Subject to compliance with statutory procedures and the Service Plan, the Board may order the inclusion or exclusion of real property to or from the District, as the case may be, thereby modifying the boundaries of the District. Such included or excluded property remains obligated to the same extent as all other property within the District for the payment of then-outstanding District indebtedness and subsequent refundings thereof. Boundary changes resulting from property included to or excluded from the District prior to the first day of May of each year are reflected in the District’s assessed valuation and are subject to the ad valorem property tax levy of the District for that assessment year. Inclusions or exclusions that occur after May 1 are considered in the following assessment year. At organization the District encompassed 166.828 acres. Pursuant to an inclusion on September 22, 2011, the District’s current acreage is 168.021 acres. No other inclusions or exclusions are pending or anticipated for the District.

Service Plan Limitations

Pursuant to the District’s Service Plan and the Special District Act, the District is authorized to provide for the financing and refinancing of the planning, design, acquisition, construction, installation, relocation, and redevelopment of water, sewer, street, safety protection, parks and recreation, transportation, television relay and translation facilities, mosquito control and limited fire protection services within and without the boundaries of the District pursuant to the District’s Service Plan and the Special District Act (as previously defined, the “Public Improvements”), which improvements, upon construction, are to be conveyed to Broomfield, the Fire District or other appropriate jurisdiction for operation and maintenance.

The District is authorized to issue bonds or other obligations for the payment of which the District has promised to impose an ad valorem property tax mill levy without such promise being subject to annual appropriation (the “Debt”). The Service Plan provides that the District may certify against any property within the District for the purposes of servicing any Debt incurred by or on behalf of the District a maximum mill levy of 35 mills (subject to adjustment for changes occurring in the method of calculating assessed valuation on or after January 1, 2001) which, as adjusted, is currently 42.827 mills. The District may also certify a mill levy against any property within the District for the purposes of providing revenues for ongoing operation and administration expenses. Such operations mill levy is not capped by the Service Plan and is also not subject to the mill levy cap applicable to the District’s debt service mill levy.

The Service Plan establishes that the District’s debt limit is \$12,600,000 (as previously defined, the “Debt Authority”). In addition to the limitations of the Service Plan, the District may only issue

indebtedness in accordance with the voted authorization obtained pursuant to the Elections. According to the District, after issuance of the Bonds, the Bonds will constitute the District’s only outstanding indebtedness. The limitations of the Service Plan may be modified or amended only with the approval of Broomfield and as otherwise provided in the Special District Act. See “DEBT STRUCTURE—Debt Restrictions—*Voter Authorized but Unissued Debt*” and —*Service Plan Debt Limit*.”

Governing Board

The District is governed by a five-member Board. The members must be eligible electors of the District as defined by State law and are elected to alternating four-year terms of office at successive biennial elections. Vacancies on the Board may be filled by appointment of the remaining directors, the appointee to serve until the next regular election, at which time the vacancy is filled by election for any remaining unexpired portion of the term. Pursuant to statute, with certain exceptions, no nonjudicial elected official of any political subdivision of the State can serve more than two consecutive terms in office; however, such term limitation may be lengthened, shortened or eliminated pursuant to voter approval. At the 2008 Election, the eligible voters in the District voted to waive the statutory term limits, and therefore the District’s directors are not subject to such limitations.

The directors hold regular meetings and special meetings as needed. Each director is entitled to one vote on all questions before the Board when a quorum is present. Current directors may receive a maximum compensation of \$1,600 per year, not to exceed \$100 per meeting attended. With the exception of this compensation, directors may not receive compensation from the District as employees of the District. Members of the Board currently do not receive compensation for Board meeting attendance. The present directors, their positions on the Boards, principal occupations and terms are as follows:

Board of Directors

Name	Office	Principal Occupation	Years of Service	Term Expires
Charles C. McKay	President	Real Estate Investor	8	2020
Gregg A. Bradbury	Treasurer	Real Estate Investor	8	2020
John Stuart Horsfall	Assistant Secretary	CEO, Medallion Learning/Real Estate Investor	4	2018
Jeffrey L. Nading	Assistant Secretary	General Contractor	8	2018
Vacancy ¹				

¹ After the May 3, 2016 election a vacancy remained on the Board which is expected to be filled by appointment at an upcoming Board meeting.

Pursuant to State law, directors are required to disclose to the Colorado Secretary of State and the Board potential conflicts of interest or personal or private interests which are proposed or pending before the Board. According to disclosure statements filed with the Secretary of State and the District by Board members prior to taking any official action relating to the Bonds, Charles C. McKay; Gregg A. Bradbury; John Stuart Horsfall; and Jeffrey L. Nading all have potential or existing financial, personal or private interests relating to the issuance or delivery of the Bonds or the expenditure of the proceeds thereof due to existing formal and informal business relationships with the Original Landowner or Taylor Morrison. It is anticipated that a portion of the net proceeds of the Bonds will be used to partially reimburse the Original Landowner for amounts previously advanced to, or expended on behalf of, the District by the Original Landowner and/or an affiliate thereof. See “RISK FACTORS—Directors’ Private Interests.”

Administration

The Board is responsible for the overall management and administration of the affairs of the District. The District has no employees. The District retains Special District Management Services, Inc., Lakewood, Colorado, as its manager, and McGeady Becher P.C., Denver, Colorado as its general counsel.

Material Agreements of the District

The Special District Act authorizes the District to enter into agreements and contracts affecting its affairs. According to the District's general counsel, the District is not a party to any agreement that materially affects its financial status or operations, except as described below.

Operation Funding Agreement. Prior to the issuance of the Bonds, the District is to enter into an Operation Funding Agreement (the "Operation Agreement") with Great Western Park, LLC, a Colorado limited liability company (as previously defined, the "Original Landowner").

The District and Original Landowner acknowledge that in order for Public Improvements to be constructed and/or acquired it is necessary for the District to be able to pay its ongoing operations and maintenance expenses; however, the District anticipates that it will not have sufficient revenues to make payment of its operations and maintenance expenses for fiscal years 2016 through 2017. In order for the District to provide the necessary operations and maintenance services for the Public Improvements, the Original Landowner has agreed to advance funds to the District (or for payment to consultants directly) for operations and maintenance expenses for the years 2016 through 2018 in an aggregate amount of \$35,000 (the "Shortfall Amount").

Under the Operation Agreement, the District may, from time to time, provide written notice to the Original Landowner stating that an advance of all or part of the Shortfall Amount is required, and the Original Landowner agrees that it will make an advance of funds to the District within fifteen (15) days of receipt from the District of any such written notice (each, an "Advance"). If the District requires additional Advances beyond the Shortfall Amount in order to meet its operation and maintenance expenses, the District may request such additional funds with written notice to the Original Landowner accompanied by a written explanation regarding the reasons that such additional funds are required. The Operation Agreement provides that the Original Landowner will provide such additional funds within fifteen (15) days of receipt of the notice requesting such funds. The amount of the additional funds shall be added to and included in the Shortfall Amount.

The District agrees in the Operation Agreement that it is its intention to repay the amounts advanced to the District (or directly paid to consultants) thereunder. Simple interest accrues on each Advance from the date of deposit into the District's account or from the date of direct payment by the Original Landowner, until paid, at the rate of eight percent (8.0%) per annum.

The Operation Agreement does not constitute a debt or indebtedness of the District within the meaning of any constitutional or statutory provision, nor does it constitute a multiple fiscal year financial obligation within the meaning of TABOR, and the making of any reimbursement thereunder is at all times subject to annual appropriation by the District in its absolute discretion.

The Operation Agreement further provides that any obligation of the District to reimburse the Original Landowner for Advances thereunder shall expire on December 31, 2048. In the event the District has not reimbursed the Original Landowner for all Advances by December 31, 2048, all amounts representing Advances and accrued and unpaid interest thereon shall be deemed to be forever discharged and satisfied in full as of such date.

Facilities Funding and Acquisition Agreement. Prior to the issuance of the Bonds, the District is to enter into a Facilities Funding and Acquisition Agreement (the “Funding Agreement”) with Great Western Park, LLC, a Colorado limited liability company (as previously defined, the “Original Landowner”).

The District and the Original Landowner each acknowledge that the Original Landowner (or its assignees) has or will in the future design, construct, and complete certain Public Improvements for District acquisition upon completion. The Original Landowner agrees that the Public Improvements it has constructed or the Public Improvements it undertakes to construct must be constructed in full conformance with the design standards and specifications as established and in use by the District or other appropriate jurisdiction and in accordance with the provisions of the Funding Agreement and the District’s Service Plan.

The Original Landowner agrees that prior to requesting that the District acquire any Public Improvements under the Funding Agreement, the Original Landowner shall obtain a certification of an independent engineer that the Construction Related Expenses (as defined in the Funding Agreement) are reasonable and comparable for similar projects as constructed in the Denver Metropolitan Area, and verification from the District’s accountant that the Construction Related Expenses are reimbursable from proceeds of tax exempt obligations (the “Verified Costs”). The District recognizes that certain Public Improvements under the prior Facilities Funding, Construction and Operation Agreement, which agreement is now terminated, also constitute Verified Costs for purposes of the Funding Agreement. In addition, under the Funding Agreement the District also agrees to reimburse the Original Landowner for Organization Expenses (as defined therein).

The District agrees that it will acquire the Public Improvements after preliminary acceptance from the appropriate jurisdiction and prior to final acceptance upon receipt, review and approval by the District’s accountant and engineer, as applicable, of the documents specified in the Funding Agreement including, without limitation, as-built drawings and bill(s) of sale for the Public Improvements to be conveyed to the District; assignment of warranties; and lien waivers and indemnifications from contractors.

The parties to the Funding Agreement agree that no payment thereunder is required of the District unless and until such time as the District issues bonds in an amount sufficient to reimburse the Original Landowner for all or a portion of the Organization Expenses and/or Verified Costs and the District agrees to exercise reasonable efforts to issue such bonds. In addition, the District agrees to utilize any available moneys not otherwise pledged to the payment of any bonds, used for operation and maintenance expenses, or otherwise encumbered, to reimburse the Original Landowner under the Funding Agreement.

Subject to the receipt of bond proceeds or other legally available moneys of the District sufficient to do so, the District agrees to make payment to the Original Landowner for all Organization Expenses and Verified Costs, together with interest thereon. Simple interest accrues on Organization Expenses and Construction Related Expenses at the rate of eight percent (8.0%) per annum until paid. For Construction Related Expenses, simple interest shall commence accruing as follows: (a) on Verified Costs for amounts expended for Construction Related Expenses incurred prior to the December 17, 2008 (the “Organization Date”), interest shall commence accruing on the Organization Date and (b) on Verified Costs for amounts expended for Public Improvements constructed after the Organization Date, interest shall commence accruing on the date Verified Costs were incurred.

The Funding Agreement does not constitute a debt or indebtedness of the District within the meaning of any constitutional or statutory provision, nor does it constitute a multiple fiscal year financial

obligation within the meaning of TABOR, and the making of any reimbursement thereunder is at all times subject to annual appropriation by the District.

In the event the District has not paid or reimbursed the Original Landowner for any Organization Expenses, Construction Related Expenses and/or Verified Costs by December 31, 2050, whether invoiced or not invoiced by such date, any amount of principal and accrued interest outstanding under the Funding Agreement on such date shall be deemed to be forever discharged and satisfied in full.

Status of Funding and Construction of Public Improvements

For information concerning Taylor Morrison's estimated costs of public infrastructure required to the serve Development, the present status of construction and projected funding sources, see "THE DEVELOPMENT—Status of Infrastructure; Development Costs." See also "—Material Agreements of the District—*Facilities Funding and Acquisition Agreement*" above.

Services Available to Residents and Property Owners Within the District

Residents and property owners of the District receive water, sewer, trash and police protection services from Broomfield. The Fire Department provides fire protection services. Natural gas service and electrical service is provided by Xcel Energy.

THE DEVELOPMENT

The following information has been supplied by the Original Landowner and Taylor Morrison, as applicable. *Neither the District, the District's advisors nor the Underwriter make any representation regarding projected development plans within the District, the financial soundness of Taylor Morrison, or their managerial ability to complete development as planned.* See "—Taylor Morrison and Related Entities" below. Without limiting the generality of the foregoing, no assurance of success is provided for the Development. The development of the property within the District may be affected by factors such as governmental policies with respect to land development, the availability of water and other utilities, the availability of energy, construction costs, interest rates, competition from other developments, and other political, legal, and economic conditions. See "RISK FACTORS—Continued Development Not Assured."

Development Overview

The Development, known as Skystone, is being developed as an age-restricted residential community. Skystone is situated on approximately 168 acres in the northwestern portion of the Denver metropolitan area in the City and County of Broomfield, with close proximity to Highway 93 and Highway 36, and is located southwest of Simms Street just south of the intersection of 112th Avenue. The Development is planned to include 518 single family homes, parks, open space, and a community clubhouse. The community clubhouse, known as The Lodge, is planned to open by mid-July 2016. The Lodge includes work-out facilities, swimming pools and community event space. All homes within Skystone and The Lodge will be interconnected by a series of trails, walks and small parks. Included in the parks are passive and active recreational activities including BBQ's, horseshoe pits and bird watching stations.

The Original Landowner, and affiliated entities, purchased the property within the all three Districts over several years, beginning in 1997. The Original Landowner had originally completed the planned unit development and platting process for an age-restricted residential community on the property located within the District then known as "Lantana." On October 3, 2011, prior to the commencement of

any construction activity relating to Lantana, the Original Landowner sold the property in the District to Taylor Morrison, a nationally recognized homebuilder. Taylor Morrison subsequently re-platted the property in the District and renamed the community “Skyestone.” As of the date hereof, all of the developable property in the Development is owned by Taylor Morrison and individual homeowners. See “DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Tax Data—*Largest Taxpayers*” and “—Taylor Morrison” below. See also “AERIAL MAP.”

Property planned for the Development is fully entitled for its intended uses, subject to the issuance of building permits and certificates of occupancy in accordance with applicable provisions of Broomfield’s Municipal Code (the “Municipal Code”). In 2011 Taylor Morrison purchased 240 acres of property within Great Western Park, representing that portion of Great Western Park located south of Walnut Creek, and began home construction in 2013. Broomfield City Council has approved the construction of 519 single family units within Skyestone; however, Taylor Morrison expects that once all replatting is finished, the Development will actually include 518 homes. As of June 15, 2016, of the 518 planned single-family detached homes, 327 homes have been platted, 131 homes have been purchased and closed to homeowners, 51 homes were under contract for purchase by homeowners, with an additional 336 lots remaining in inventory, on which 6 model homes have been constructed. The Lodge community center is planned to open by mid-July 2016. See also the Financial Forecast attached in APPENDIX A hereto.

Notwithstanding any of the foregoing, the actual use of property within the Development is subject to change within the parameters set forth in the PUD. Furthermore, neither Taylor Morrison nor any other party is contractually obligated to pursue development as described herein, or at all.

Platting, Zoning/Land Use and Public Approvals

The property was annexed in 1998 and is zoned Planned Unit Development (“PUD”). The Broomfield Comprehensive Plan designation for the property is “neighborhood residential” which is described as areas that “should include a mix of housing types that achieve an overall average density target of four dwelling units per gross acre.” Development of the property comprising the Development is subject to, and is being undertaken in accordance with: (i) Subdivision Improvement Agreements, which specify the timing and installation of public and private improvements necessary to serve the respective Phase (defined herein) of the Development; (ii) the limitations on land uses provided in the applicable zoning documentation; (iii) the subdivision of property in accordance with site development plans (“SDP”) and final plats (“FP”); all in accordance with the Municipal Code and as more particularly described below. Broomfield’s subdivision process provides for consideration by the City and County of Broomfield Land Use Review Commission (“Land Use Commission”) and City Council of PUDs, SDPs, FPs and SIAs for approval or disapproval, prior to the start of construction.

In January 2001, City Council approved a planned unit development plan (the “Original PUD”), preliminary plat, final plat (the “Original FP”), site development plan (the “Original SDP”) and development and reimbursement agreement for Great Western Park by Resolution No. 2001-14 and was recorded on January 23, 2001. The Original PUD allowed for up to 2.3 million square feet of office and commercial uses and up to 1,000 residential units. The Original FP created single family residential lots, future multi-family residential development and commercial development. The Original FP also included dedication of roads and 27.91 acres of open lands. The Original PUD was amended twice by the Original Landowner by the Great Western Park PUD Plan—First Amendment which was recorded on February 11, 2002 and the Great Western Park PUD Plan—Second Amendment which was recorded on April 6, 2009, to revise lot sizes, building architecture and landscaping.

After purchasing the property from the Original Landowner, Taylor Morrison submitted and received approval from City Council for a third amendment to the Original PUD, The Great Western Park PUD Plan–Third Amendment, which was recorded on October 16, 2013 (the “Skyestone PUD”). The Skyestone PUD encompasses the property located south of Walnut Creek, including the Development.

Site Development Plan/Platting. On February 10, 2009, City Council approved the Great Western Park Filing No. 4 Site Development Plan and Final Plat by Resolution No. 2009-5 (the “Original SDP and Final Plat”). The Original SDP and Final Plat provided for 432 single family age-restricted residential lots, a community center and the open lands plan for the residential portion of Great Western Park. Since Taylor Morrison purchased the property within Great Western Park, the Original SDP and Final Plat have been amended numerous times to re-plat the subject property for its intended uses as described below.

Skyestone Phase I. The “Great Western Park Filing No. 4 Site Development Plan” was recorded with the Broomfield Clerk and Recorder on January 23, 2001 (the “Original SDP”). The Original SDP was amended by the “Great Western Park, Filing No. 4, Replat A (Skyestone), Site Development Plan Amendment” (“Skyestone Phase I”) submitted by Taylor Morrison in 2012, approved by City Council on March 14, 2013 and recorded with the Broomfield Clerk and Recorder on April 3, 2013. Skyestone Phase I was approved for the construction of 86 single family homes on 25.732 acres.

Skyestone Phase II. The “Great Western Park, Filing No. 4, Replat D (Skyestone Ph.2) Site Development Plan” (“Skyestone Phase II”) was submitted by Taylor Morrison in 2013, approved by City Council on October 8, 2013 and recorded with the Broomfield Clerk and Recorder on October 18, 2013. Skyestone Phase II was approved for the construction of 39 single family units on 10.725 acres.

Skyestone Phase III. The “Great Western Park, Filing No. 4, Replat E (Skyestone Ph.3) Site Development Plan” (“Skyestone Phase III”) was submitted by Taylor Morrison in 2014, approved by City Council on August 26, 2014 and recorded with the Broomfield Clerk and Recorder on September 12, 2014. Skyestone Phase III was approved for the construction of 124 single family units on 26.667 acres.

Skyestone Phase IV. The “Great Western Park Filing No. 4, Replat I, Final Plat” (“Skyestone Phase IV”) was submitted by Taylor Morrison in 2015, approved by City Council on November 17, 2015 by Resolution No. 2015-187 and recorded with the Broomfield Clerk and Recorder at Reception Number 2016002765. Skyestone Phase IV was approved for the construction of 78 single family units on 12.958 acres.

Skyestone Phase V and Phase VI. Taylor Morrison expects to file two additional replats of Filing No. 4 Final Plat, Replat H (“Skyestone Phase V”) and Replat J (“Skyestone Phase VI”). Skyestone Phase V is expected to include 85 units on 5.953 acres and Skyestone Phase VI is expected to include 107 single family units on 20.050 acres. Replat H was submitted to Broomfield and is expected to receive final approval by August 2016 and Replat J is expected to be submitted to Broomfield in 2017, depending on development activity.

The platted summary for Skyestone established by the Replats of Filing No. 4 Final Plat, are set forth in the following table.

TABLE II
Plat Summary – Skyestone

Filing No. 4	Acres	Approved Single Family Units ¹	Platted Single Family Units
Replat A	25.732	86	86
Replat C	11.667 ²	0	0
Replat D	10.725	39	39
Replat E	24.353	124	124
Replat H ³	5.953	85	0
Replat I	12.958	78	78
Replat J ⁴	<u>20.050</u>	<u>107</u>	<u>0</u>
Total	<u>111.438</u>	<u>519</u>	<u>327</u>

¹ According to Taylor Morrison, although the original land plan provided for the construction of 519 single family homes, as a result of replatting, Taylor Morrison has determined that at build out the Development is anticipated to actually include 518 homes.

² Represents the parcel where The Lodge community center is located.

³ Replat H has been submitted to the City and is expected to be approved by August 2016.

⁴ Replat J is expected to be submitted to the City in 2017, as development dictates.

Source: Taylor Morrison

Notwithstanding the foregoing, development plans are subject to change and no assurance is given that Taylor Morrison will not pursue a re-platting of property within Skyestone into fewer lots than anticipated herein. See “RISK FACTORS—Continued Development Not Assured.”

Subdivision Improvement Agreements. In connection with obtaining Broomfield’s approval of the SDPs and FPs for each phase of development within Skyestone, Taylor Morrison is required to execute a SIA which provides for the orderly installation of public and private improvements necessary to serve that phase of the Development. Certain information with respect to the Subdivision Improvement Agreements executed by Taylor Morrison and the City for the Development is set forth below.

Skyestone Phase	Great Western Park Filing No. 4	Date SIA Executed	Estimated Cost of Public Improvements	Deadline for Public Improvement Completion	Public Improvements Completed	Date Two-Year Warranty Period Expires
I	Replat A and Replat C	April 3, 2013	\$4,144,835	December 31, 2016	√	January 2018
II	Replat D	October 8, 2013	990,124	August 1, 2017	√	January 2018
III	Replat E	August 26, 2014	2,833,482	August 1, 2018	√	est. July 2018
IV	Replat I	November 17, 2015	1,788,348	November 1, 2019	est. 12/2016	n/a

Source: Individual Subdivision Improvement Agreements

All of the foregoing Subdivision Improvement Agreements are collectively referred to herein as the “SIAs.” Each of the SIAs require that Taylor Morrison complete construction of Public Improvements specified therein for the applicable filing by a specified date. The Public Improvements required by the SIAs are generally in the nature of grading, retaining walls, streets, water, sanitary sewer, public storm sewer and landscaping improvements. Broomfield agrees to accept the Public Improvements upon satisfactory completion and, upon acceptance by Broomfield, the Improvements are to become public facilities and property of Broomfield, subject to repair and replacement requirements during the applicable warranty period. Pursuant to the SIAs, Taylor Morrison is to make all needed repairs or replacements to such improvements for a two-year period commencing on the date of acceptance of such improvements by Broomfield.

Before starting work on any such Public Improvements, and before the issuance of any building permit for structures within the Development, Taylor Morrison is to provide to Broomfield an irrevocable letter of credit or performance guarantee acceptable to Broomfield in an amount equal to the total cost of such improvements (provided that such guarantee may be permitted to be provided with respect to phases of the improvements). Each SIA includes the estimated costs of the Public Improvements required to be constructed by the terms thereof; however, Broomfield reserves the right to review and adjust the cost estimates at any time in the future, before or after Taylor Morrison provides the performance guarantee. If Broomfield adjusts cost estimates for the Public Improvements, Broomfield is to give written notice thereof to Taylor Morrison and, within 30 days of receipt of said notice, Taylor Morrison is to provide Broomfield with a new or amended performance guarantee in the amount of the adjusted cost estimates. If Taylor Morrison refuses or fails to so provide Broomfield with a new or amended performance guarantee, Broomfield may withhold building permits, water licenses and certificates of occupancy for the applicable property. After acceptance of the applicable Public Improvements by Broomfield, the performance guarantee is to be maintained in an amount required by the Standards and Specifications (as set forth in the applicable SIA) for the warranty period.

Pursuant to the SIAs, if at any time an SIA or any part thereof is breached by Taylor Morrison or satisfactory progress has not been made on the Public Improvements, Broomfield may draw on the performance guarantee, may withhold building permits, certificates of occupancy and water licenses applied for with respect to the applicable property and, until the breach is corrected, shall be under no obligation to approve or issue any additional building permits, certificates of occupancy or water licenses within any area of the applicable property. If Broomfield draws on the performance guarantee, it is under no obligation to complete the related Public Improvements, and may use the proceeds of the performance guarantee for engineering expenses, consultants' fees and charges, legal fees and costs, the Public Improvements, reimbursements or other costs connected with the applicable property.

Pursuant to the SIA, Broomfield has consented to the performance by the Districts of obligations of Taylor Morrison thereunder to the extent relating to improvements to be constructed by the Districts. Upon the assignment by Taylor Morrison of a portion of its obligation under an SIA to a District and the assumption of such obligation by such District, Taylor Morrison is to be released from such assigned obligation and Broomfield will accept performance of such assigned obligation from the District.

Status of Infrastructure. Infrastructure construction within Skystone is planned for six phases, correlating to the filing of replats and subsequent home construction within those replats. According to Taylor Morrison officials, as of the date of this Limited Offering Memorandum, approximately 48% of planned infrastructure improvements have been completed within the District to serve 249 homes and the community center within Skystone Phases I-III (representing Great Western Park Filing No. 4 – Replat A, Replat C, Replat D and Replat E, respectively). Infrastructure for Skystone Phase IV began in December 2015 and is expected to be substantially complete by October 2016. See TABLE II—Plat Summary—Skystone.

The following table sets forth information on public infrastructure within the District as provided by Taylor Morrison. To date, Taylor Morrison has funded \$32,848,767 of such improvements. The estimated remaining cost of such improvements is \$15,676,478. Of the completed Public Improvements, either Broomfield or the Fire District, as applicable, has accepted such improvements subject to completion of a two year warranty period. All onsite public improvement costs and offsite improvement costs associated with the water line installed at the end of Skystone Parkway as well as the associated grading are to be funded by Taylor Morrison, and may be reimbursable by the District.

TABLE III
Completed Public Infrastructure Costs – Skyestone ¹

Phase (in-tract: public improvements)	Estimated Cost	General Description of Improvement
Skyestone, Phase I	\$15,810,167	Earthwork, roadway construction, landscaping
Skyestone, Phase II	4,478,897	Earthwork, roadway construction, landscaping
Skyestone, Phase III	5,995,547	Earthwork, roadway construction, landscaping
Skyestone Phase IV	1,023,779	Earthwork, roadway construction, landscaping
The Lodge at Skyestone	4,826,056	Community Center Construction
Offsite Improvements	<u>714,321</u>	Installation of waterline to 112th Avenue, with associated grading, roadway realignment construction of 108 th Avenue at Simms Street.
Total	<u>\$32,848,767</u>	

¹ As of June 15, 2016.
Source: Taylor Morrison

TABLE IV
Ongoing and Future Public Infrastructure Costs – Skyestone ¹

Infrastructure Phase	Estimated Cost	General Description of Improvement	Construction Start Date	Construction Completion Date ²
The Lodge at Skyestone	\$ 1,310,051	Construction of the community center	October 2015	August 2016
Skyestone, Phase III	945,158	Installation of landscaping	December 2014	August 2016
Skyestone, Phase IV	3,451,418	Installation of wet utilities, roadway construction, and landscaping	December 2015	October 2016
Skyestone, Phase V	5,648,724	Earthwork, wet utilities, roadway construction, and landscaping	June 2017	January 2018
Skyestone, Phase VI	<u>4,321,127</u>	Earthwork, wet utilities, roadway construction, and landscaping	June 2016	July 2017
Total	<u>\$15,676,478</u>			

¹ As of June 15, 2016
² Estimated
Source: Taylor Morrison

Amenities in the Development. The Development includes The Lodge, a community clubhouse with pool, fitness center and fire pits, a park with playground, trails and open space within its boundaries.

Notwithstanding any of the foregoing, neither Taylor Morrison nor any other property owner is contractually obligated to pursue the development of the property comprising the Development, and no assurance is given that development will continue in accordance with the present permitted land uses, modifications thereof, or at all.

Only the property located within the boundaries of the District (the Development) will generate property taxes pledged to the payment of the Bonds.

Planned Development and Construction and Sales Activity

Overview. The Development is being developed as an entirely residential community on approximately 168 acres, currently approved for 519 residential units, a community center, pedestrian trails and open space. Taylor Morrison expects that once all replatting is finished, the Development will actually include 518 homes. As of June 15, 2016, 327 homes have been platted, 131 homes have been purchased and closed to homeowners, 51 homes were under contract for purchase by homeowners, with an additional 336 lots remaining in inventory, on which 6 model homes have been constructed. Full build-out of the Development is anticipated in 2020.

Set forth in the following tables is a summary of the single-family homes planned for the Development by Taylor Morrison, the number of lots finally platted therefor, the number of building permits issued and the number of certificates of occupancy issued since home construction began in February 2013. Home prices range from \$400,000 to \$725,000 with lot sizes ranging from 5,000 to 6,000 square feet. Phases I through V include traditional single family homes. Phase VI is planned to include smaller single family homes built in a cluster style configuration to offer a more affordable option to the community.

TABLE V
Skyestone—Annual (2016) Single Family Building Permits Issued ¹

Filing No. 4	2013	2014	2015	2016	Total
Replat A	3	57	27	0	87
Replat D	0	19	20	0	39
Replat E	<u>0</u>	<u>0</u>	<u>31</u>	<u>21</u>	<u>52</u>
Total	<u>3</u>	<u>76</u>	<u>78</u>	<u>21</u>	<u>178</u>

¹ Through June 15, 2016. Does not include the permit issued for The Lodge Community Center.

TABLE VI
Skyestone—Annual (2016) Certificates of Occupancy Issued ¹

Filing No. 4	2014	2015	2016	Total
Replat A	48	34	4	87
Replat D	0	33	4	37
Replat E	<u>0</u>	<u>1</u>	<u>6</u>	<u>7</u>
Total	<u>48</u>	<u>68</u>	<u>14</u>	<u>131</u>

¹ Through June 15, 2016.

Water and Sewer

Water (potable and non-potable), waste water (sewer) and storm water service to residents within Broomfield, including the Development, is to be provided through water rights and infrastructure owned and operated by Broomfield.

Land Acquisition; Encumbrances on Land

Property within the Development is subject to various easements and rights of way of record which, to the extent of those of public record only, Taylor Morrison has reviewed, and Taylor Morrison does not believe are inconsistent with the development of the property as described herein. Property within the Development may be subject to additional encumbrances as development progresses, including, but not limited to, liens securing financial obligations of the various owners of such property. No assurance is given that encumbrances will not be recorded against portions of the Development which impact the ability of the Development to be carried out as presently planned.

Land Acquisition and Ownership. On October 3, 2011, Taylor Morrison purchased approximately 239.31 acres of property within Great Western Park Filing No. 4, including the 168 acres of property comprising the Development, from the Original Landowner at a purchase price of \$8,690,889.

Taylor Morrison is not precluded from using any portion of such property still owned by Taylor Morrison as security for financial obligations of Taylor Morrison in the future.

Appraisal. According to Taylor Morrison, no appraisal of the property was obtained by Taylor Morrison in connection with its acquisition of property comprising the Development.

Declaration of Covenants, Conditions and Restrictions. All of the property within the Development is subject to a Declaration of Covenants, Conditions, and Restrictions for Skyestone Community Association, Inc., dated December 18, 2013, and recorded with the County Clerk on December 19, 2013 (the "Declaration"). The purpose of the Declaration is to establish a general plan of development for the planned community known as Skyestone consisting of residential, recreation and other areas and uses. The Declaration provides for Skyestone's overall development, administration, maintenance and preservation and is intended to provide flexible and reasonable procedures for its future expansion. When developed fully, Skyestone may include several residential neighborhoods, a clubhouse, and greenbelts and recreational areas, including but not limited to open spaces, walkways and other facilities.

Pursuant to the Declaration, the Skyestone Community Association, Inc. (the "Association"), an association comprised of all Skyestone real property owners, was created to own, operate and/or maintain amenities upon various common areas and community improvements and to administer and enforce the Declaration and the other governing documents. Skyestone is intended to be an age-qualified community of housing for persons 55 years of age or older. The Association, organized on September 26, 2013 pursuant to Articles of Incorporation filed with the Secretary of State, is responsible for the duties set forth in the Declaration, including without limitation: to own, manage and maintain the Common Areas (as defined therein) and certain other areas; levy, collect and disburse assessments and other charges imposed thereunder; and act as the agent and representative of the Skyestone owners and enforce the use restrictions and other provisions of the Declaration.

The Association is also delegated the authority under the Declaration to enforce the design standards for "Improvements" (as defined in the Declaration, generally including any exterior additions/modifications and certain landscaping). Pursuant to the Declaration, upon completion of 100% of the planned development within Skyestone, the Association is to establish and appoint the members of an Architectural Control Committee, and the Association is to adopt rules and regulations, including without limitation, construction, use and design standards and procedures for architectural control appeals for the Architectural Control Committee, and fines for violations of such rules and regulations or the terms of the Declaration. Prior to the sale of all lots within Skyestone, Taylor Morrison will be responsible for architectural review. An owner of property subject to the Declaration is not permitted to

make an Improvement to any lot within the subject property without approval of the Architectural Control Committee, except that this requirement shall not apply to any property owned by the Declarant (being Taylor Morrison), its successors or assigns.

Environmental Matters

Phase I Environmental Site Assessment. A Phase I Environmental Site Assessment (the “Phase I Assessment”) was performed on property within Great Western, which included the District, by Environmental Assessment and Remediation Corporation, Highlands Ranch, Colorado (“EARC”). The Phase I Assessment, dated September 8, 2011, revealed no evidence of recognized environmental conditions in connection with the property and EARC did not recommend any further action in regard to the property within Great Western.

Geotechnical Reports. CTL Thompson Incorporated (“CTL”) performed a Supplemental Preliminary Geotechnical Investigation on the property within Great Western Park in August, 2007, as revised in February 2008 (the “Geotechnical Investigation”). The report states no geologic or geotechnical conditions were identified that would preclude development of the site. Geotechnical concerns identified that pertain to development and construction of the site included: swelling soils and bedrock, shallow ground water, hard cemented rock and potentially unstable slopes. CTL acknowledged in the Geotechnical Investigation that proper engineering design and construction practices could substantially mitigate the effects of these geotechnical concerns.

As each area within the Development is platted, Taylor Morrison has commissioned A.G. Wassenaar Inc., Denver, Colorado (“Wassenaar”) to conduct site specific geotechnical studies to provide geotechnical design criteria for planning and site development and preliminary design concepts for foundation systems, interior floor support and drainage for each development area. The geotechnical reports completed by Wassenaar to date on property within the Development include: a Geotechnical Site Development Study for Great Western Park, Filing No. 4, Replat A - Phase I dated May 18, 2012 (the “Phase I Report”); a Geotechnical Site Development Study and Earthen Cut/Fill Investigation Report for Great Western Park, Filing No. 4, Replat D (Skyestone, Phase II) dated June 27, 2013 (the “Phase II Report”); and a Geotechnical Site Development Study and Earthen Cut/Fill Investigation Report for Great Western Park, Filing No. 4, Replat E (Skyestone, Phase III) dated July 10, 2014 (the “Phase III Report” and, together with the Phase I Report and the Phase II Report, collectively, the “Geotechnical Reports”).

As stated in the Geotechnical Reports, major geotechnical concerns include the presence of undocumented fill, shallow ground water, cobbles in excavations for utility trenches and expansive clay soils and bedrock. The Geotechnical Reports provide recommendations for design and construction techniques to mitigate the site specific geotechnical concerns. The Geotechnical Reports were done to provide geotechnical design criteria for planning and site development and preliminary design concepts for foundation systems, interior floor support and drainage for the proposed development within each Phase.

Wildlife Reports. As set forth in Broomfield’s Planned Unit Development zoning regulations, Taylor Morrison is required to perform a wildlife environmental review of property within the Development prior to construction. Smith Environmental and Engineering, Westminster, Colorado (“Smith”) has performed environmental reviews on six parcels of property within the Development. The environmental reviews generally encompassed wetlands, threatened and endangered species habitat and other wildlife, including Black-tailed Prairie Dog and migratory birds located in or on the respective properties. The reports provided the results of the surveys and evaluations serving as a guide for further action, if needed, for compliance with City, State and federal regulations or policy.

A USACE CWA Nationwide Permit for impacts to wetlands for the Skyestone development has been obtained, and concurrence from the Fish and Wildlife Service for no impacts to Threatened and Endangered species has also been obtained.

Skyestone Environmental Reviews

Phase (acres)	Report Date	Conclusions	Recommendations
II (10.725)	October 2013	may impact other wildlife species but will not impact wetlands or any federally listed Threatened and Endangered species	i) Surveys for active migratory nests February through April prior to construction ii) Stormwater discharge construction permit needed
III (24.353)	September 2014	will impact general wildlife habitat; will not impact wetlands black tailed prairie dogs, Burrowing Owls, active bird nests or federally listed Threatened and Endangered species	Surveys for active migratory nests during nesting season prior to construction
IV (12.958)	September 2015 and Update December 2015	will affect general wildlife habitat, including ground nesting bird habitat; but will not impact wetlands, black-tailed prairie dogs, Burrowing Owls, federally listed Threatened and Endangered species or active bird nests (as long as construction occurs outside of nesting season)	Begin construction in the fall when owls are not nesting
VI (5.953)	March 2016	will affect general wildlife habitat, including ground nesting bird habitat and may impact an active Great Horned Owl nest; will not impact wetlands, black-tailed prairie dogs, Burrowing Owls, federally listed Threatened and Endangered species or eagles	i) Surveys for active migratory nests prior to construction ii) Great Horned Owl management plan recommended

According to Taylor Morrison, no other environmental assessments have been undertaken with regard to the Development.

Marketing and Advertising

Taylor Morrison is presently engaged in a marketing program for the homes it has constructed in the Development, including a website, signage and social media. The Original Landowner is not currently undertaking and does not anticipate becoming involved in any marketing program, including any marketing programs undertaken by Taylor Morrison.

Competition

Development in the District is expected to compete with active competitive residential communities as well as future developments in the Denver metropolitan area. As set forth in the Market Study, there are twelve active single-family detached projects which present competition for the Development including Anthem Colorado; Candelas; Bradburn; Huntington Trails; Indian Peaks/South; Legacy Ridge; Leyden Ranch; Leyden Rock; McKay Shores; Midtown; Table Rock Ridge; and Whisper Creek. Direct competition is somewhat limited, with active adult competition located primarily in Anthem Colorado. See “APPENDIX C—The Market Study”.

Schools

The Development is served by Jefferson County School District No. R-1. Lukas Elementary School, Wayne Carle Middle School and Standley Lake High School are all located less than three miles from the Development.

Taylor Morrison

Taylor Morrison is a wholly owned subsidiary of Taylor Morrison Home Corporation, a public company traded on the New York Stock Exchange under TMHC (“TMHC”). TMHC is headquartered in Scottsdale, Arizona and represents one of the largest public homebuilders in the United States, in addition to being a real estate developer. TMHC operates under the Taylor Morrison and Darling Homes brand names. TMHC is organized into 15 operating divisions aggregated into three reportable homebuilding segments: East, Central and West. During the year ended December 31, 2015, operations generated home closings revenue of \$2.9 billion with 6,311 home closings. TMHC operates in 19 metropolitan markets in eight states including Florida, Georgia, North Carolina, Texas, Arizona, California, Illinois and Colorado.

Land Planning and Development Manager. Brett Price has 20 years of experience in the general contracting/land development industry, most recently as the Land Planning and Development Manager for Taylor Morrison. Prior to his employment with Taylor Morrison, Mr. Price spent eight years as a Project Manager for Mortenson Construction performing as a general contractor for Forest City Enterprises on the Stapleton project in Denver, Colorado, in addition to completing projects at the Fort Riley, Kansas and Fort Lewis/McCord, Washington Army Installations.

DISTRICT FINANCIAL INFORMATION

The Series 2016A Senior Bonds are payable from, among other Senior Pledged Revenue, ad valorem property taxes resulting from imposition by the District of the Senior Required Mill Levy. See “THE SERIES 2016A SENIOR BONDS—Security for the Series 2016A Senior Bonds—*Senior Required Mill Levy.*” The Series 2016B Subordinate Bonds are payable from, among other Subordinate Pledged Revenue, ad valorem property taxes resulting from the imposition by the District of the Subordinate Required Mill Levy. See “THE SERIES 2016B SUBORDINATE BONDS—Security for the Series 2016B Subordinate Bonds—*Subordinate Required Mill Levy.*” Certain information pertaining to such ad valorem property taxes as well as other financial information of the District is set forth below. Not all ad valorem property taxes and fees that are or may be imposed by the District as described herein are pledged to the payment of the Bonds. For a complete description of revenues pledged to the payment of the Series 2016A Senior Bonds, see “THE SERIES 2016A SENIOR BONDS—Security for the Series 2016A Senior Bonds,” and for a complete description of revenues pledged to the payment of the Series 2016B Subordinate Bonds, see “THE SERIES 2016B SUBORDINATE BONDS—Security for the Series 2016B Subordinate Bonds.”

Ad Valorem Property Taxes

The District's Board has the power, subject to constitutional and statutory guidelines, to certify a levy for collection of ad valorem taxes against all taxable property within the District. Property taxes are uniformly levied against the assessed valuation of all taxable property within the District. The property subject to taxation, the assessment of such property, and the property tax procedure and collections are discussed below. Pursuant to the Service Plan, the mill levy permitted to be imposed by the District for the payment of general obligation bonds is not to exceed 35 mills (subject to adjustment for changes occurring in the method of calculating assessed valuation on or after January 1, 2001) which, as adjusted, is currently 42.827 mills. The District may also certify a mill levy for the purpose of providing revenues for ongoing operation and administration expenses. Such operations mill levy is not capped by the District's Service Plan and is not included in the mill levy cap applicable to the District's debt service mill levy as described above.

Property Tax Reduction for Senior Citizens and Disabled Veterans. On November 7, 2000, and November 7, 2006, respectively, the electors of the State approved Referendum A and Referendum E, constitutional amendments granting a property tax reduction to qualified senior citizens and qualified disabled veterans. Generally, the reduction (a) reduces property taxes for qualified senior citizens and qualified disabled veterans by exempting 50% of the first \$200,000 of actual value of residential property from property taxation; (b) requires that the State reimburse all local governments for any decrease in property tax revenue resulting from the reduction; and (c) excludes the State reimbursement to local governments from the revenue and spending limits established under Article X, Section 20 of the State Constitution.

Property Subject to Taxation. Both real and personal property located within the boundaries of the District, unless exempt, are subject to taxation by the District. Exempt property generally includes property of the United States of America; property of the State and its political subdivisions; public libraries; public school property; charitable property; religious property; irrigation ditches, canals and flumes; household furnishings; personal effects; intangible personal property; inventories of merchandise and materials and supplies which are held for consumption by a business or are held primarily for sale; livestock; agricultural and livestock products; agricultural equipment which is used on the farm or ranch in the production of agricultural products; and nonprofit cemeteries.

Assessment of Property. All taxable property is listed, appraised and valued for assessment as of January 1 of each year by the county assessor. The "actual" value, with certain exceptions, is determined by the county assessor annually based on a biennially recalculated "level of value" set on January 1 of each odd-numbered year. The "level of value" is ascertained for each two-year reassessment period from manuals and associated data prepared and published by the State property tax administrator for the eighteen-month period ending on the June 30 immediately prior to the beginning of each two-year reassessment period. For example, "actual" values for the 2015 levy/2016 collection year as well as the 2016 levy/2017 collection year are based on market data obtained from the period January 1, 2013–June 30, 2014. The "level of value" calculation does not change for even-numbered years. The classes of property the "actual" value of which is not determined by a level of value include oil and gas leaseholds and lands, producing mines and other lands producing nonmetallic minerals.

The assessed value of taxable property is then determined by multiplying the "actual" value (determined as described in the immediately preceding paragraph) times an assessment ratio. The assessment ratio of residential property changes from year to year based on a constitutionally mandated requirement to keep the ratio of the assessed value of commercial property to residential property at the same level as it was in the property tax year commencing January 1, 1985 (the "Gallagher Amendment"). The Gallagher Amendment requires that statewide residential assessed values must be approximately 45%

of the total assessed value in the State with commercial and other assessed values making up the other 55% of the assessed values in the State. In order to maintain this 45% to 55% ratio, the commercial assessment rate is established at 29% of the actual value of commercial property (including vacant land and undeveloped lots) and the residential assessment rate fluctuates. The residential ratio has remained 7.96% since the 2003 levy year.

The Colorado Legislative Council Staff's "Focus Colorado: Economic and Revenue Forecast" dated December 21, 2015 (the "Forecast"), projects that the residential assessment ratio will decrease to 7.78% for the 2017 reassessment period.

Beginning in May of each year each county assessor hears taxpayers' objections to property valuations, and the county board of equalization hears assessment appeals. The assessor is required to complete the assessment roll of all taxable property no later than August 25 each year. The abstract of assessment prepared therefrom is reviewed by the State property tax administrator. Assessments are also subject to review at various stages by the State board of equalization, the State board of assessment appeals and the State courts. Therefore, the District's assessed valuation may be subject to modification as a result of the review of such entities. In the instance of the erroneous levy of taxes, an abatement or refund must be authorized by the board of county commissioners; and in no case will an abatement or refund of taxes be made unless a petition for abatement or refund is filed within two years after January 1 of the year following the year in which the taxes were levied. Refunded or abated taxes are prorated among all taxing jurisdictions which levied a tax against the property.

Taxation Procedure. The assessed valuation and statutory "actual" valuation of taxable property within the District is required to be certified by the County Assessor to the District no later than August 25 each year. Such value is subject to recertification by the County Assessor prior to December 10. The Board then determines a rate of levy which, when levied upon such certified assessed valuation, and together with other legally available revenues, will raise the amount required annually by a District for its General Fund and Debt Service Fund to defray its expenditures during the ensuing fiscal year. In determining the rate of levy, the Board must take into consideration the limitations on certain increases in property tax revenues as described in "—Constitutional Amendment Limiting Taxes and Spending" and "—Budget and Appropriation Procedure" below. The Board of the District must certify the District's levy to the Board of County Commissioners no later than December 15.

Upon receipt of the tax levy certification of the District and other taxing entities within the County, the Board of County Commissioners levies against the assessed valuation of all taxable property within the County the applicable property taxes. Such levies are certified by the Board of County Commissioners to the County Assessor, who thereupon delivers the tax list and warrant to the County Treasurer for the collection of taxes.

Property Tax Collections. Taxes levied in one year are collected in the succeeding year. Taxes certified in 2015, for example, are being collected in 2016. Taxes are due on January 1 in the year of collection; however, they may be paid in either one installment (not later than the last day of April) or two equal installments (not later than the last day of February and June 15) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of 1% per month until paid. Unpaid amounts become delinquent on, and interest thereon will accrue from March 1 (with respect to the first installment) and June 16 (with respect to the second installment) until the date of payment, provided that if the full amount of taxes is to be paid in a single payment, such amount will become delinquent on May 1 and will accrue interest thereon from such date until paid. The County Treasurer collects current and delinquent property taxes, as well as any interest, penalties, and other requirements and remits the amounts collected on behalf of the District to the District on a monthly basis.

All taxes levied on real and personal property, together with any interest and penalties prescribed by law, as well as other costs of collection, until paid, constitute a perpetual lien on and against the taxed property. Such lien is on parity with the liens of other general taxes. It is the County Treasurer’s duty to enforce the collection of delinquent real property taxes by sale of the tax lien on such realty in December of the collection year and of delinquent personal property taxes by the distraint, seizure and sale of such property at any time after October 1 of the collection year. There can be no assurance, however, that the value of taxes, penalty interest and costs due on the property can be recovered by the County Treasurer. Further, the County Treasurer may set a minimum total amount below which competitive bids will not be accepted, in which event property for which acceptable bids are not received will be set off to the County. Taxes on real and personal property may be determined to be uncollectible after a period of six years from the date of becoming delinquent and canceled by the Board of County Commissioners.

Ad Valorem Property Tax Data

The District’s assessed valuation, mill levies and ad valorem property tax collections (on a calendar year basis) from levy year 2010 to date are set forth in the following table. See “—Ad Valorem Property Taxes—*Assessment of Property*” above for a description of the assessment ratios for taxable property used in each of such years. See “—Constitutional Amendment Limiting Taxes and Spending” below.

**TABLE VII
History of Assessed Valuation, Mill Levies and Property Tax Collections for the District**

Levy/Collection Year	Assessed Valuation		Mill Levies		Property Taxes	
	Valuation	Percent Change	General Fund	Debt Service Fund	Taxes Levied	Taxes Collected ¹
2010/2011	\$ 4,860	--	5.000	35.232	\$ 196	\$ 197
2011/2012	4,860	0.00%	5.000	35.232	196	196
2012/2013	4,860	0.00	5.000	35.232	196	193
2013/2014	5,150	5.97	5.000	35.232	207	205
2014/2015	1,074,500	20,764.08	5.000	35.232	43,229	43,228
2015/2016	2,968,340	176.25	5.000	35.232	119,422	79,596 ²

¹ Figures represent current collections only. In addition, the County Treasurer’s collection fees have not been deducted from these amounts.

² Collections through April 30, 2016.

Sources: State of Colorado, Division of Property Taxation, Annual Reports, 2010-2015; and Broomfield County Assessor’s Office and Treasurer’s Office

The following table sets forth the 2015 assessed and “actual” valuations (for the 2016 tax collection year) of specific classes of property within the District. As shown below, residential property has accounted for the largest percentage of the District’s assessed valuation.

TABLE VIII
2015 Assessed and “Actual” Valuation of Classes of Property in the District

Class	Assessed Valuation	Percent of Assessed Valuation	“Actual” Valuation	Percent of “Actual” Valuation
Residential	\$2,560,670	86.27%	\$32,167,550	95.82%
Vacant	341,730	11.51	1,178,420	3.51
Commercial ¹	62,240	2.10	214,630	0.64
Agricultural	<u>3,700</u>	<u>0.12</u>	<u>11,190</u>	<u>0.03</u>
Total	<u>\$2,968,340</u>	<u>100.00%</u>	<u>\$33,571,790</u>	<u>100.00%</u>

¹ Represents the property being developed as The Lodge community center.
Source: Broomfield County Assessor’s Office

Largest Taxpayers. Set forth in the following table are the persons or entities which represent the largest taxpayers within the District for the 2015 levy year (2016 collection year), as provided by the County Assessor’s Office. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the District. The District’s mill levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the District from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the mill levies of the other taxing entities which overlap the properties.

TABLE IX
2015 Largest Taxpayers Within the District

Name	Assessed Valuation	Percent of Assessed Valuation ¹
Taylor Morrison of Colorado Inc.	\$ 657,990	22.17%
Individual Homeowner	46,500	1.57
Individual Homeowner	43,990	1.48
Individual Homeowner	42,830	1.44
Individual Homeowner	42,830	1.44
Individual Homeowner	42,650	1.44
Individual Homeowner	42,430	1.43
Individual Homeowner	42,170	1.42
Individual Homeowner	41,520	1.40
Individual Homeowner	<u>41,120</u>	<u>1.39</u>
Total	<u>\$1,044,030</u>	<u>35.18%</u>

¹ The 2015 certified assessed valuation figure of the District used in computing the above was \$2,968,340.
Source: Broomfield County Treasurer’s Office

Overlapping Mill Levies. Numerous entities located wholly or partially within the District are authorized to levy taxes on property located within the District. According to the County Assessor’s Office, there are currently four entities overlapping all or a portion of the District. According to the County Assessor, there is currently only one total mill levy being assessed against all property owners within the District, as set forth in the following table. Additional taxing entities may overlap the District

in the future. See also “DEBT STRUCTURE—General Obligation Debt—*Estimated Overlapping General Obligation Debt*.”

TABLE X
Sample Total 2015 Mill Levies ¹

Taxing Entity	Mill Levy
Apex Park and Recreation District	1.413
Broomfield (City)	11.457
Broomfield (County)	17.511
Jefferson County School District R-1	47.487
North Metro Fire Protection District	14.713
RTD	0.000
Urban Drainage and Flood Control District	<u>0.553</u>
Overlapping Mill Levy	93.134
The District	<u>40.232</u>
Total Mill Levy	<u>133.366</u>

¹ One mill equals 1/10 of one cent. Mill levies certified in 2015 were for the collection of ad valorem property taxes in 2016.
Sources: Broomfield County Assessor’s Office

Specific Ownership Taxes

“Specific Ownership Tax” is defined in APPENDIX B hereto as the specific ownership tax which is collected by the county and remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute. Specific Ownership Tax revenue represents the amounts received by the District from the State pursuant to such statute primarily on motor vehicle licensing. Such tax is collected by all counties and distributed to every taxing entity within a county, such as the District, based on the proportion of the taxing entity’s ad valorem taxes to the cumulative amount of ad valorem taxes levied county-wide. Those portions of Specific Ownership Tax revenue that are allocable to the Senior Required Mill Levy are pledged to the payment of the Series 2016A Senior Bonds and are not available for other purposes, and those portions of Specific Ownership Tax revenue that are allocable to the Subordinate Required Mill Levy are pledged to the payment of the Series 2016B Subordinate Bonds and are not available for other purposes. See “THE SERIES 2016A SENIOR BONDS—Security for the Series 2016A Senior Bonds—*Specific Ownership Tax*” and “THE SERIES 2016B SUBORDINATE BONDS—Security for the Series 2016B Subordinate Bonds—*Specific Ownership Tax*.” The portion of the Specific Ownership Tax that is collected as the result of the District’s operations mill levy is anticipated to be applied to operational and administrative costs of the District.

Operations Mill Levy; Funding of Operations and Maintenance

Pursuant to the Service Plan, the operations mill levy imposed by the District for payment of operations and maintenance expenses each year is not subject to the mill levy cap imposed by the Service Plan with respect to the District’s debt service mill levy. See “General Fund” mill levy history in “TABLE VII” above for the District’s historical operations mill levy for the last five years.

Accounting Policies

The accounts of the Districts are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Such funds are segregated for the purpose of

accounting for the operation of specific activities or attaining certain objectives. The District maintains three governmental funds: the General Fund, the Debt Service Fund and the Capital Projects Fund. The General Fund is used to account for resources traditionally associated with government such as property taxes, specific ownership tax and expenditures which include District administration, legal services and other expenses related to operations. The Debt Service Fund is used to account for the resources accumulated and payments or transfers made for payment of long-term general obligation debt of the governmental funds. The Capital Projects Fund is used to account for revenues and expenditures to complete capital projects including new improvements and upgrades to existing infrastructure.

Financial Statements

In accordance with Title 29, Article 1, Part 6, C.R.S., an annual audit is required to be made of the District's financial statements at the end of the fiscal year unless an exemption from audit has been granted by the State Auditor's Office. The audited financial statements must be filed with the Board within six months after the end of the fiscal year and with the State Auditor thirty days thereafter. Failure to comply with this requirement to file an audit report may result in the withholding of the District's property tax revenue by the County Treasurer pending compliance.

Historical Financial Information

Due to the District's limited financial activity to date, no audited financial information is available for inclusion herein. In accordance with Title 29, Article 1, Part 6, C.R.S., an annual audit is required to be made of the District's financial statements at the end of the fiscal year unless an exemption from audit has been granted by the State Auditor's Office. The State Auditor accepted the District's Applications for Exemption from Audit for the years ended December 31, 2011 through 2015.

Budget and Appropriation Procedure

The District's budget is prepared on a calendar year basis as required by Title 29, Article 1, Part 1, C.R.S. The budget must present a complete financial plan for the District, setting forth all estimated expenditures, revenues, and other financing sources for the ensuing budget year, together with the corresponding figures for the previous fiscal year.

On or before October 15 of each year, the District's budget officer must submit a proposed budget to the Board for the next fiscal year. Thereupon notice must be published stating, among other things, that the proposed budget is open for inspection by the public and that interested electors may file or register any objection to the budget prior to its adoption.

Before the beginning of the fiscal year, the Board must enact an appropriation resolution which corresponds with the budget. The income of the District must be allocated in the amounts and according to the funds specified in the budget for the purpose of meeting the expenditures authorized by the appropriation resolution. District expenditures may not exceed the amounts appropriated, except in the case of an emergency or a contingency which was not reasonably foreseeable. Under such circumstances, the Board may authorize the expenditure of funds in excess of the budget by a resolution adopted by a majority vote of the Board following proper notice. If the District receives revenues which were unanticipated or unassured at the time of adoption of the budget, the Board may authorize the expenditure thereof by adopting a supplemental budget and appropriation resolution after proper notice and a hearing thereon. In the event that revenues are lower than anticipated in the adopted budget, the District may adopt a revised appropriation resolution after proper notice and a hearing thereon. The transfer of budgeted and appropriated moneys within a fund or between funds may be accomplished only in accordance with State law.

The Board timely adopted the District’s 2016 budget and appropriation resolution pursuant to the procedures described above and timely filed such budget with the State Division of Local Government.

Limitation on Certain Tax Revenues. It is through the preparation of the budget and by taking into consideration all sources of revenue, costs of construction, expenses of operating the District, and the debt service requirements of the District’s outstanding bonds and other obligations that the rate of mill levy is determined each year. Pursuant to the provisions of Article X, Section 20 of the State Constitution, the District is subject to tax revenue limitations as described below in “—Constitutional Amendment Limiting Taxes and Spending,” but has received voter approval to waive such limitations.

Budgeted Financial Information. Set forth hereafter is a comparison of the District’s 2015 and 2016 budgets, as well as a comparison to the 2016 year to date unaudited figures for the General Fund, Debt Service Fund and Capital Projects Fund.

**TABLE XI
General Fund Budget Summary and Comparison**

	2015 Budget (as adopted)	2016 Actual Year to Date (unaudited) ¹	2016 Budget (as adopted)
Revenues			
Property Tax Revenue	\$5,373	\$ 9,892	\$14,842
Interest Income	--	1	--
Specific Ownership Taxes	<u>200</u>	<u>262</u>	<u>310</u>
Total Revenue	<u>5,573</u>	<u>10,155</u>	<u>15,152</u>
Expenditures			
Treasurer’s Fees	81	148	223
Transfer to District No. 1 ²	5,330	--	14,645
Emergency Reserve	<u>162</u>	<u>--</u>	<u>454</u>
Total Expenditures	<u>5,573</u>	<u>148</u>	<u>15,322</u>
Excess of Revenues Over Expenditures	--	10,007	(170)
Transfer to District No. 1 ²	--	(10,006)	--
Beginning Fund Balance	<u>--</u>	<u>170</u>	<u>170</u>
Ending Fund Balance	<u>\$--</u>	<u>\$ 171</u>	<u>\$--</u>

¹ Actual unaudited figures through May 31, 2016.

² Under a prior Facilities Funding, Construction and Operations Agreement (the “FFCO”) between District No. 1 and the District, District No. 1 was obligated to perform all administrative functions for both District No. 1 and the District. In exchange for District No. 1 providing such services, the District was obligated to impose taxes and transfer the revenue therefrom to District No. 1 for the purpose of offsetting District No. 1’s related expenses. The FFCO has been fully terminated and the District will perform its own administrative functions going forward, and the District will no longer be obligated to transfer any tax revenue to District No. 1.

Sources: District 2015 and 2016 Budgets and the District

**TABLE XII
Debt Service Fund Budget Summary and Comparison**

	2015 Budget (as adopted)	2016 Actual Year to Date (unaudited) ¹	2016 Budget (as adopted)
Revenues			
Property Tax Revenue	\$37,857	\$69,704	\$104,581
Specific Ownership Taxes	<u>1,200</u>	<u>1,846</u>	<u>2,180</u>
Total Revenue	<u>39,057</u>	<u>71,550</u>	<u>106,761</u>
Expenditures			
Treasurer's Fees	568	1,046	1,569
Transfer to District No. 1 ²	<u>38,489</u>	<u>70,504</u>	<u>105,192</u>
Total Expenditures	<u>\$39,057</u>	<u>\$71,550</u>	<u>\$106,761</u>

¹ Actual unaudited figures through May 31, 2016.

² Under a prior Facilities Funding, Construction and Operations Agreement (the "FFCO") between District No. 1 and the District, District No. 1 was obligated to issue bonds or other indebtedness for the purpose of funding public improvements within both the District and District No. 1, and the District was obligated to impose taxes and transfer the revenue therefrom to District No. 1 for the purpose of paying debt service on District No. 1's bonds or other indebtedness. The FFCO has been fully terminated and the District will issue its own bonds (including the Bonds) going forward, and the District will no longer be obligated to transfer any tax revenue to District No. 1. The indebtedness of District No. 1 for which the transfers above were made has been canceled and discharged.

Sources: District 2015 and 2016 Budgets and the District

**TABLE XIII
Capital Projects Fund Budget Summary and Comparison**

	2015 Budget (as adopted)	2016 Actual Year to Date (unaudited) ¹	2016 Budget (as adopted)
Beginning Fund Balance	\$ --	\$--	\$ --
Revenues			
Original Landowner Advance	<u>6,000,000</u>	--	<u>6,000,000</u>
Total Revenue	<u>\$6,000,000</u>	<u>\$--</u>	<u>\$6,000,000</u>
Expenditures			
Capital Outlay	<u>6,000,000</u>	--	<u>6,000,000</u>
Total Expenditures	<u>\$6,000,000</u>	<u>\$--</u>	<u>\$6,000,000</u>

¹ Actual unaudited figures through May31, 2016.

Sources: District 2015 and 2016 Budgets and the District

Deposit and Investment of District Funds

State statutes set forth requirements for the deposit of District funds in eligible depositories and for the collateralization of such deposited funds. The District also may invest available funds in accordance with applicable State statutes. The investment of the proceeds of this issue also is subject to the provisions of the Tax Code. See "TAX MATTERS."

Risk Management

The Board acts to protect the District against loss and liability by maintaining certain insurance coverages which the District's Board believes to be adequate. Currently, the District maintains insurance through the Colorado Special Districts Property and Liability Pool ("CSDPLP"). CSDPLP was established by the Special District Association of Colorado in 1988 to provide special districts with general liability, auto/property liability, and public officials' liability insurance coverage as an alternative to the traditional insurance market. Since 2001, CSDPLP has also offered workers' compensation insurance. The District's current policy expires on January 1, 2017. However, there can be no assurance that the District will continue to maintain its current levels of coverage.

Constitutional Amendment Limiting Taxes and Spending

On November 3, 1992, Colorado voters approved an amendment to the State Constitution, which is commonly referred to as the Taxpayer's Bill of Rights, or Amendment One ("TABOR"), and now constitutes Article X, Section 20 of the State Constitution. TABOR imposes various limits and new requirements on the State and all Colorado local governments which do not qualify as "enterprises" under TABOR (each of which is referred to in this section as a "governmental unit"). Any of the following actions, for example, now require voter approval in advance: (a) any increase in a governmental unit's spending from one year to the next in excess of the rate of inflation plus a "growth factor" based on the net percentage change in actual value of all real property in a governmental unit from construction of taxable real property improvements, minus destruction of similar improvements, and additions to, minus deletions from, taxable real property for government units other than school districts, and the percentage change in student enrollment for a school district; (b) any increase in the real property tax revenues of a local governmental unit (not including the State) from one year to the next in excess of inflation plus the appropriate "growth factor" referred to in clause (a) above; (c) any new tax, tax rate increase, mill levy above that for the prior year, valuation for assessment ratio increase for a property class, extension of an expiring tax or a tax policy change directly causing a net tax revenue gain; and (d) except for refinancing bonded indebtedness at a lower interest rate or adding new employees to existing pension plans, creation of any multiple-fiscal year direct or indirect debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years. Elections on such matters may only be held on the same day as a State general election, at the governmental unit's regular biennial election or on the first Tuesday in November of odd numbered years, and must be conducted in accordance with procedures described in TABOR.

Revenue collected, kept or spent in violation of the provisions of TABOR must be refunded, with interest. TABOR requires a governmental unit to create an emergency reserve of 3% of its fiscal year spending (excluding bonded debt service) in 1995 and subsequent years. TABOR provides that "[w]hen [a governmental unit's] annual . . . revenue is less than annual payments on general obligation bonds, pensions, and final court judgments, the [voter approval requirement for mill levy and other tax increases referred to in clause (c) of the preceding paragraph and the voter approval requirement for spending and real property tax revenue increases referred to in clauses (a) and (b) of the preceding paragraph] will be suspended to provide for the deficiency." The preferred interpretation of TABOR will, by its terms, be the one that reasonably restrains most the growth of government.

De-Brucing. At the November 6, 2012 election, voters of the District approved an election question allowing the District to collect, receive, retain, and spend the full amount of all taxes, tax increment revenues, tap fees, park fees, facility fees, public improvement fees, service charges, inspection charges, administrative charges, grants or any other fee, rate, toll, penalty, or charge authorized by law or contract to be imposed, collected or received by the District during 2013 and each fiscal year thereafter, such amounts to constitute a voter-approved revenue change and be collected, retained and spent by the

District without regard to any spending, revenue-raising, or other limitation contained within TABOR, the limits imposed on increases in property tax by § 29-1-301., C.R.S. in any subsequent year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, and without limiting in any year, the amount of other revenues that may be collected, received, retained and spent by the District.

DEBT STRUCTURE

The following is a discussion of the District's authority to incur general obligation indebtedness and other financial obligations and the amount of such obligations presently outstanding.

Debt Restrictions

Pursuant to the Indentures, the District may issue Additional Bonds subject to certain conditions, as more particularly described in "THE SERIES 2016A SENIOR BONDS—Certain Senior Indenture Provisions—*Additional Bonds*" and "THE SERIES 2016B SUBORDINATE BONDS—Certain Subordinate Indenture Provisions—*Additional Bonds*." In addition, the issuance of Additional Bonds is restricted by: (a) State statutes that restrict the amount of debt issuable by special districts; (b) the availability of electoral authorization; and (c) the District's Service Plan, all as described below.

Statutory Debt Limit. The District is subject to a statutory general obligation debt limitation established pursuant to Section 32-1-1101(6), C.R.S. Said limitation provides that, with specific exceptions, the total principal amount of general obligation debt issued by a special district shall not at the time of issuance exceed the greater of \$2 million or 50% of the District's assessed valuation. While the general obligation indebtedness of the District represented by the Bonds will exceed 50% of the District's assessed valuation, the District has determined to restrict the sale of Bonds to "financial institutions or institutional investors" as such terms are defined in Section 32-1-103(6.5), C.R.S. to fit into an exception to the statutory debt limitation permitted by Section 32-1-1101(6), C.R.S.

Required Elections. Various State constitutional and statutory provisions require voter approval prior to the incurrence of indebtedness by the District. Among such provisions, Article X, Section 20 of the State Constitution requires that, except for refinancing bonded debt at a lower interest rate, the District must have voter approval in advance for the creation of any multiple-fiscal year direct or indirect district debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years. See "DISTRICT FINANCIAL INFORMATION—Constitutional Amendment Limiting Taxes and Spending."

Voter Authorized but Unissued Debt.

2008 Election. At the 2008 Election, the eligible electors of the District voting at such election authorized the District to incur indebtedness in the amount of \$12,600,000 for public improvements; \$2,000,000 for operations and maintenance purposes; \$12,600,000 for refunding purposes; and \$12,600,000 for intergovernmental agreements between the District and other governmental entities, for a total of \$39,800,000. The District is not using authorization from the 2008 Election in connection with the issuance of the Bonds.

2012 Election. At the 2012 Election, the eligible electors of the District voting at such election authorized the District to incur indebtedness in the amount of \$100,800,000 for public improvements; \$2,000,000 for operations and maintenance purposes; \$12,600,000 for refunding purposes; and \$12,600,000 for intergovernmental agreements between the District and other governmental entities, for a

total of \$128,000,000. As of the date hereof, the District has not utilized any indebtedness authorized by the 2012 Election.

Following Issuance of Bonds. The District expects to allocate voted authorization obtained at the 2012 Election to the indebtedness of the Bonds. Following the issuance of the Bonds, the District will have voter authorized but unissued indebtedness authorized at the 2012 Election in the amount of \$88,200,000 for public improvements; \$2,000,000 for operations and maintenance purposes; \$12,600,000 for refunding purposes; and \$12,600,000 for intergovernmental agreements between the District and other governmental entities, for a total of \$115,400,000. See “—*Service Plan Debt Limit*” below for additional limitations on the District’s ability to issue debt.

Service Plan Debt Limit. Regardless of the amount of voted authorization obtained by the District pursuant to the Elections, the District is limited by its Service Plan as to the amount of debt it may issue. The Service Plan establishes the District’s debt limit (defined therein as the “Debt Authority”) as \$12,600,000. After the issuance of the Bonds, the District will have no remaining Debt Authority under its Service Plan. The limitations of the Service Plan may be modified or amended only with the prior approval of Broomfield and as otherwise provided in the Special District Act.

General Obligation Debt

Outstanding and Authorized But Unissued Debt. Following the issuance of the Bonds, the Bonds will constitute the District’s only outstanding general obligation debt.

Estimated Overlapping General Obligation Debt. Certain public entities whose boundaries may be entirely within, coterminous with, or only partially within the District are also authorized to incur general obligation debt, and to the extent that properties within the District are also within such overlapping public entities, such properties will be liable for an allocable portion of such debt. For purposes of this Limited Offering Memorandum, the percentage of each entity’s outstanding debt chargeable to District property owners is calculated by comparing the assessed valuation of the portion overlapping the District to the total assessed valuation of the overlapping entity. To the extent the District’s assessed valuation changes disproportionately with the assessed valuation of overlapping entities, the percentage of general obligation debt for which District property owners are responsible will also change.

The District is not financially or legally obligated with regard to any of the indebtedness shown on the immediately following table. Although the District has attempted to obtain accurate information as to the outstanding debt of the entities which overlap the District, it does not warrant its completeness or accuracy as there is no central reporting entity which is responsible for compiling this information.

TABLE XIV
Estimated Overlapping General Obligation Debt

Overlapping Entity	Outstanding General Obligation Debt	Net Outstanding General Obligation Debt Chargeable to Properties Within the District	
		Percent	Amount
Apex Park and Recreation District	\$ 3,000,000	0.20%	\$ 6,000
Jefferson County School District R-1	429,115,000	0.04	171,646
North Metro Fire Rescue District	26,760,000	0.19	<u>50,844</u>
Total			<u>\$228,490</u>

Sources: Broomfield County Assessor’s Office and information obtained from individual entities

General Obligation Debt Ratios. The District has not previously issued any general obligation debt; therefore, historical debt ratios are not presented herein. See “INTRODUCTION—Debt Ratios” for general obligation debt ratios for the District upon issuance and delivery of the Bonds.

Revenue and Other Financial Obligations

The District also has the authority to enter into obligations that do not extend beyond the current fiscal year, and to incur certain other obligations, provided that no such obligation constitutes a multiple fiscal year financial obligation under TABOR. No such obligations are currently outstanding.

LEGAL MATTERS

Sovereign Immunity

The Governmental Immunity Act, Title 24, Article 10, Part 1, C.R.S. (the “Governmental Immunity Act”), provides that, with certain specified exceptions, sovereign immunity acts as a bar to any action against a public entity, such as the District, for injuries which lie in tort or could lie in tort.

The Governmental Immunity Act provides that sovereign immunity does not apply to injuries occurring as a result of certain specified actions or conditions. In general, public entities will be held liable for willful and wanton acts or omissions or willful and wanton acts or omissions of its public employees which occurred during the performance of their duties and within the scope of their employment. However, if a plaintiff can meet the burden of proof required to show that any one of the exceptions specified in the Governmental Immunity Act applies, the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employees, which was not willful and wanton, and which occur during the performance of their duties and within the scope of their employment. The maximum amounts that may be recovered under the Governmental Immunity Act, whether from one or more public entities and public employees, are as follows: (a) for any injury to one person in any single occurrence, the sum of \$350,000; and (b) for an injury to two or more persons in any single occurrence, the sum of \$990,000, except in such instance, no person may recover in excess of \$350,000. Suits against both the District and a public employee do not increase such maximum amounts which may be recovered. The District may not be held liable either directly or by indemnification for punitive or exemplary damages. In the event that the District is required to levy an ad valorem property tax to discharge a settlement or judgment, such tax may not exceed a total of ten (10) mills per annum for all outstanding settlements or judgments.

The District may be subject to civil liability and may not be able to claim sovereign immunity for actions founded upon various federal laws. Examples of such civil liability include, but are not limited to,

suits filed pursuant to 42 U.S.C. Section 1983 alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the District may be enjoined from engaging in anti-competitive practices which violate the antitrust laws. However, the Governmental Immunity Act provides that it applies to any action brought against a public entity or a public employee in any Colorado State court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

Legal Representation

Legal matters incident to the authorization and issuance of the Bonds are subject to approval by Sherman & Howard L.L.C., Denver, Colorado, Bond Counsel. Certain legal matters will be passed upon for the District by McGeady Becher P.C., Denver, Colorado, as general counsel to the District. Kutak Rock LLP is acting as legal counsel to the Underwriter.

The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Pending and Threatened Litigation

In connection with the issuance of the Bonds, General Counsel to the District is expected to render an opinion stating that, to the best of its knowledge, there is no action, suit, proceeding, inquiry or investigation pending in which the District is a party wherein an unfavorable decision, ruling, or finding would affect the validity of the Senior Bond Resolution, the Subordinate Bond Resolution, the Senior Indenture, the Subordinate Indenture, or other financing documents, or the transactions contemplated therein.

Recent Colorado Court of Appeals Case and Legislation

On April 21, 2016, the Colorado Court of Appeals issued an opinion in the case of Landmark Towers Association, Inc. v. UMB Bank, n.a., 2016 WL 1594047 (Colo. App. Apr. 21, 2016) (referred to herein as “Marin”). One of the primary issues addressed in the Marin decision is the eligibility of persons holding contracts to purchase property within a special district to vote in special district elections, including elections held for purposes of TABOR. The Marin litigation was filed by homeowners seeking to recover taxes paid to the Marin Metropolitan District (the “Marin District”) and to enjoin the future levying of taxes on the basis that the persons who approved the Marin District’s debt and taxes (the “Organizational Electors”) were not eligible electors. The Court determined that the Organizational Electors’ contracts to purchase property were invalid based upon certain factors. The Court also held that prospective homeowners who had entered into contracts to purchase condominium units in the Marin District were eligible electors who should have been allowed to participate in the organizational election. As a result, the Court held that the Marin District’s TABOR election was conducted illegally and the taxes authorized by such election to pay the Marin District’s bonds were levied illegally.

In response to the Marin decision, the Colorado General Assembly unanimously passed Senate Bill 16-211 (“SB 211”), which was signed into law by the Governor on May 18, 2016. SB 211 states that no special district election conducted prior to April 21, 2016, may be contested on the grounds that any person who voted at such election was not an eligible elector, unless such a contest was initiated prior to April 21, 2016. It also validates the qualifications of all electors who voted at such election and all

actions undertaken by any board member who may not have been qualified to serve on the board when appointed or elected on or before such election. SB 211 also states that the foregoing bar to election contests does not apply to challenges of elections held after January 1, 2012 on the grounds that federal or state constitutional rights of the eligible electors were violated nor to any challenges initiated prior to April 21, 2016, with respect to elections held before January 1, 2012. SB 211 has not been applied or interpreted by any court and there is no guarantee that SB 211 will effectively bar state or federal constitutional claims filed at any given time.

Bond Counsel has concluded, and will provide an opinion to the effect that, the Bonds constitute valid and binding limited tax (in the case of the Series 2016A Senior Bonds, convertible to unlimited tax) general obligations of the District and all of the taxable property of the District is subject to the levy of an ad valorem tax to pay the Series 2016A Senior Bonds and the Series 2016B Subordinate Bonds in amounts equal to the Senior Required Mill Levy and the Subordinate Required Mill Levy, respectively. See APPENDIX G and APPENDIX H for forms of the respective Bond Counsel Opinions.

Indentures Irrepealable

The Indentures provide that after any of the Bonds are issued, such Indentures shall remain irrepealable, but amendable in certain circumstances, until the Series 2016A Senior Bonds and the Series 2016B Subordinate Bonds, as applicable, and the interest accruing thereon shall have been fully paid, satisfied, and discharged.

Future Changes in Laws

Various State laws and constitutional provisions apply to the imposition, collection, and expenditure of ad valorem property taxes and the operation of the District. There is no assurance that there will not be any change in the interpretation of, or additions to applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the District and the imposition, collection, and expenditure of ad valorem property taxes and fees.

Limitations on Remedies Available to Bondholders

The enforceability of the rights and remedies of the Owners, and the obligations incurred by District in issuing the Bonds, are subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers granted to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

TAX MATTERS

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in

calculating the “adjusted current earnings” adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations as described below, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Bonds.

The Tax Code and Colorado law impose several requirements which must be met with respect to the Bonds in order for the interest thereon to be excluded from gross income, alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations), Colorado taxable income and Colorado alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the Bonds. These requirements include: (a) limitations as to the use of proceeds of the Bonds; (b) limitations on the extent to which proceeds of the Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Bonds above the yield on the Bonds to be paid to the United States Treasury. The District will covenant in the Indentures that it will not take any action or omit to take any action with respect to the Bonds, any funds of the District, or any facilities financed with the proceeds of the Bonds, if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except to the extent such interest is required to be included in the adjusted current earnings adjustments applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income, or (iii) would cause interest on the Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law. Bond Counsel’s opinion as to the exclusion of interest on the Bonds from gross income, alternative minimum taxable income (to the extent described above), Colorado taxable income and Colorado alternative minimum taxable income is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the District to comply with these requirements could cause the interest on the Bonds to be included in gross income, alternative minimum taxable income, Colorado taxable income or Colorado alternative minimum taxable income, or a combination thereof, from the date of issuance. Bond Counsel’s opinion also is rendered in reliance upon certifications of the District and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

Section 55 of the Tax Code contains a 20% alternative minimum tax on the alternative minimum taxable income of corporations. Under the Tax Code, 75% of the excess of a corporation’s “adjusted current earnings” over the corporation’s alternative minimum taxable income (determined without regard to this adjustment and the alternative minimum tax net operating loss deduction) is included in the corporation’s alternative minimum taxable income for purposes of the alternative minimum tax applicable to the corporation. “Adjusted current earnings” includes interest on the Bonds.

The Tax Code contains numerous provisions which may affect an investor’s decision to purchase the Bonds. Owners of the Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain “subchapter S” corporations may result in adverse federal and Colorado tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports “reportable payments” (including interest and dividends) as defined in Section 3406, or fails

to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. Certain of the Bonds were sold at a premium, representing a difference between the original offering price of those Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such Bonds (if any) may realize a taxable gain upon their disposition, even though such Bonds are sold or redeemed for an amount equal to the owner's acquisition cost. Bond Counsel's opinion relates only to the exclusion of interest on the Bonds from gross income, alternative minimum taxable income, Colorado taxable income and Colorado alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal or Colorado tax consequences arising from the receipt or accrual of interest on or ownership of the Bonds. Owners of the Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the Bonds, the exclusion of interest on the Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the Bonds or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the Bonds. Owners of the Bonds are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, the market value of the Bonds may be adversely affected. Under current audit procedures, the Service will treat the District as the taxpayer and the Owners may have no right to participate in such procedures. The District has covenanted in the Indentures not to take any action that would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income except to the extent described above for the owners thereof for federal income tax purposes. None of the District, the Underwriter, Bond Counsel, General Counsel or Counsel to the Underwriter is responsible for paying or reimbursing any Bond holder with respect to any audit or litigation costs relating to the Bonds.

MISCELLANEOUS

No Rating

No rating has been or will be applied for with respect to this financing.

Registration of Bonds

Registration or qualification of the offer and sale of the Bonds (as distinguished from registration of the ownership of the Bonds) is not required under the federal Securities Act of 1933, as amended, the Colorado Securities Act, as amended, or the Colorado Municipal Bond Supervision Act, as amended, pursuant to exemptions from registration provided in such acts. **THE DISTRICT ASSUMES NO RESPONSIBILITY FOR QUALIFICATION OR REGISTRATION OF THE BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THE BONDS MAY BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED.**

The “Colorado Municipal Bond Supervision Act,” Article 59 of Title 11, C.R.S., generally provides for the Colorado Securities Commissioner (the “Commissioner”) to regulate and monitor the issuance of municipal securities by special districts and certain other entities. Among other things, the act requires that all bonds, debentures, or other obligations (defined in the act as “bonds”) issued by a special district must first be registered with the Commissioner unless exempt under the act. The Bonds qualify for an exemption from registration because the Bonds are being sold in minimum denominations of \$500,000 and integral multiples of \$1,000 in excess thereof.

Undertaking To Provide Ongoing Disclosure

The Underwriter has determined that the Bonds are exempt from the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12). The District has, however, agreed to provide certain information to the Trustee on a quarterly basis and, as to certain other information, on an annual basis, which the Trustee will subsequently provide to the MSRB (in an electronic format as prescribed by the MSRB). A form of the Continuing Disclosure Agreement setting forth such obligations is attached as APPENDIX F to this Limited Offering Memorandum. A failure by the District to comply with the requirements of the Continuing Disclosure Agreement will not constitute an Event of Default under the Indentures (although Bond owners may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under the Continuing Disclosure Agreement). The District has not previously entered into a continuing disclosure undertaking for purposes of Rule 15c2-12.

Interest of Certain Persons Named in this Limited Offering Memorandum

The legal fees to be paid to Bond Counsel and Underwriter’s Counsel are contingent upon the sale and delivery of the Bonds.

No Audited Financial Statements

Due to the limited financial activity of the District no audited financial statements have been prepared for the District.

Underwriting

The Bonds are being sold by the District to the Underwriter at an underwriting discount of \$267,550 pursuant to a purchase contract. See “USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Application of Bond Proceeds.” Expenses associated with the issuance of the Bonds are being paid by the District from proceeds of the Bonds. The right of the Underwriter to receive compensation in connection with this issue is contingent upon the actual sale and delivery of the Bonds. The Underwriter has initially offered the Bonds at the prices set forth on the cover page of this Limited Offering Memorandum. Such price may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other investment banking firms in offering the Bonds.

Additional Information

Copies of statutes, resolutions, opinions, contracts, agreements, financial and statistical data, and other related reports and documents described in this Limited Offering Memorandum are either publicly available or available upon request and the payment of a reasonable copying, mailing, and handling charge from the sources noted in the “INTRODUCTION—Additional Information” hereto.

Limited Offering Memorandum Certification

The preparation of this Limited Offering Memorandum and its distribution have been authorized by the Board. This Limited Offering Memorandum is hereby duly approved by the Board as of the date on the cover page hereof. This Limited Offering Memorandum is not to be construed as an agreement or contract between the District and the purchasers or owners of any Bond.

**GREAT WESTERN PARK METROPOLITAN
DISTRICT NO. 2**

By Charles C. McKay
President

APPENDIX A

PROJECTED STATEMENT OF SOURCES AND USES OF CASH

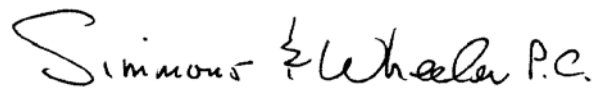
**Great Western Park Metropolitan District No. 2
Projected Statement of Sources
and Uses of Cash**

**For the Years Ending
December 31, 2016 through 2047**

To the Board of Directors
Great Western Park Metropolitan District No. 2
City and County of Broomfield, Colorado

We have compiled the accompanying projected statements of sources and uses of cash and calculation of assessed valuation of the Great Western Park Metropolitan District No. 2 (Exhibit I), the related projected debt service schedules (Exhibits II and III) and an analysis of absorption and market values (Exhibit IV) for the years ending December 31, 2016 through 2047, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a projection, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the projection. We have not examined the projection and, accordingly, do not express an opinion or any other form of assurance on the accompanying statements or assumptions. Furthermore, there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Handwritten signature of Simmons & Wheeler P.C. in cursive script.

July 20, 2016

Great Western Park Metropolitan District No. 2

Summary of Significant Assumptions and Accounting Policies December 31, 2016 through 2047

The foregoing projection is based on information provided by representatives of the Board of Directors of the Great Western Park Metropolitan District No. 2 (the "District" and the District is sometimes referred to as "management" herein). Management has relied on a market analysis and absorption forecast prepared by MetroStudy, Inc. Denver dated May 9, 2016, for the taxable value of the residential property. The foregoing projection presents, to the best of management's knowledge and belief, the expected cash receipts and disbursements for the projection period. Accordingly, the projection reflects management's judgment as of July 20, 2016. The assumptions disclosed herein are those that management believes are significant to the projection. There will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The purpose of this projection is to show the amount of funds available for debt retirement for the proposed General Obligation (Limited Tax Convertible to Unlimited Tax) Senior Bonds, Series 2016A in the amount of \$11,045,000 (the "Series 2016A Bonds") and the proposed Subordinate General Obligation Limited Tax Bonds, Series 2016B (the "Series 2016B Bonds") in the total amount of \$1,555,000. The Series 2016A and Series 2016B Bonds are projected to be issued on July 26, 2016.

Note 1: Ad Valorem Taxes

The primary source of revenues for the District will be the collection of ad valorem taxes. Residential property is projected to be assessed at 7.96% of market values. Prior to the construction of a dwelling unit, residential lots are assessed at 29% of market values. Per the MetroStudy report, the residential development within the District is anticipated to include 421 residential units from January 1, 2016 through completion in 2020. Market values for residential property are projected to average in a range from \$407,071 to \$527,995 as of 2016 as detailed in Exhibit IV. Finished lots are projected at 10% of current market values. Prior to construction, market values of residential dwelling units are projected to inflate at 2% per year. After the construction of a residential dwelling unit, market values are assumed to inflate at 2% biennially.

Property is assumed to be assessed annually as of January 1st. Property included in this projection is assumed to be assessed on the January 1st subsequent to completion. The projection recognizes the related property taxes as revenue in the subsequent year.

The County Treasurer currently charges a 1.5% fee for the collection of property taxes. These charges are reflected in the accompanying projection as an expenditure.

The mill levy imposed by the District is proposed to equal 42.827 mills for debt service and 5.000 mills for operations commencing in collection year 2017. The debt service mill levy for 2016 is 35.232 mills.

The projection assumes that Specific Ownership Taxes collected on motor vehicle registrations will be 6% of property taxes collected.

Great Western Park Metropolitan District No. 2

Summary of Significant Assumptions and Accounting Policies December 31, 2016 through 2047

Note 2: Bond Assumptions

The District intends to issue the Series 2016A Bonds in the total amount of \$11,045,000 on July 26, 2016. The Series 2016A Bonds are projected to carry a coupon rate ranging from 4.00% to 5.00% and mature on December 1, 2046. The Series 2016A Bonds will be secured by a required maximum and minimum mill levy of 42.827 mills, the portion of specific ownership taxes attributable to the property taxes used for debt service, capitalized interest in the estimated amount of \$1,267,118, a Reserve Fund in the amount of \$871,750 and to the extent excess pledged revenues are available, deposits will be made to a Surplus Fund, up to a maximum amount of \$1,104,500.

The Surplus Fund can be released when the ratio of the outstanding Series 2016A Bonds and all other outstanding Senior Bonds of the District to the District's assessed valuation is 50% or less. The District does not have any current plans to issue additional Senior Bonds and therefore the projection assumes that no Senior Bonds (other than the Series 2016A Bonds) will be outstanding at the time the 50% Debt to AV test is met. The limited minimum and maximum mill levy can adjust for changes in the ratio of residential assessed values to market values occurring after the issuance of the Series 2016A Bonds. Exhibit II reflects the projected repayment of principal and interest on the Series 2016A Bonds.

The Indenture only requires that excess pledged revenues, if any, be accumulated in the Surplus Fund until amounts on deposit therein equal \$1,104,500 or until released (at which time the Surplus Fund would constitute pledged revenue for the subordinate Series 2016B Bonds). The projection reflects funds in excess of the Surplus Fund requirement as Excess Revenues in Exhibit I.

The District intends to issue its subordinate Series 2016B Bonds totaling \$1,555,000 on July 26, 2016. The Series 2016B Bonds are projected to carry a coupon rate of 7.25% and mature on December 15, 2046. The subordinate Series 2016B Bonds are cash flow bonds with annual payments anticipated to be made on December 15. Unpaid interest compounds annually on December 15 at the rate of 7.25%. Payments toward interest and principal can be made provided the Series 2016A Bonds (and any other Senior Bonds outstanding) are current and the Reserve and Surplus Funds for the Series 2016A Bonds and any other Senior Bonds are full. The subordinate Series 2016B Bonds will be discharged on December 16, 2056. Exhibit III reflects the projected repayment schedule of the subordinate Series 2016B Bonds.

Great Western Park Metropolitan District No. 2

Summary of Significant Assumptions and Accounting Policies December 31, 2016 through 2047

The following table reflects the projected sources and uses of funds for the senior Series 2016A Bonds and the subordinate Series 2016B Bonds.

	Series <u>2016A</u>	Series <u>2016B</u>	<u>Total</u>
Bond proceeds	\$ 11,045,000	\$ 1,555,000	\$ 12,600,000
Bond premium	<u>236,329</u>	<u>-</u>	<u>236,329</u>
	<u>\$ 11,281,329</u>	<u>\$ 1,555,000</u>	<u>\$ 12,836,329</u>
Issuance costs	\$ 446,895	\$ 46,650	\$ 493,545
Capitalized interest	1,267,118	-	1,267,118
Reserve Fund	871,750	-	871,750
Available for improvements / repayment of capital advances	<u>8,695,566</u>	<u>1,508,350</u>	<u>10,203,916</u>
	<u>\$ 11,281,329</u>	<u>\$ 1,555,000</u>	<u>\$ 12,836,329</u>

Note 3: District Improvements

This projection does not reflect any additional cost of eligible District improvements that may be needed to complete the infrastructure within the District beyond the \$10,203,916 from the Series 2016A and 2016B Bonds nor the source of the funds to pay for such costs.

Note 4: Operating Costs

Operating expenses for the District are projected to be paid from a 5.000 mill levy imposed by the District. The portion of Specific Ownership Taxes attributable to the above described property tax revenues are also available for District operating expenses. In Exhibit I, the General Fund reflects the total revenues that are projected to be available for District operations.

Note 5: Hypothetical Assumptions

Alternative A

Under Alternative A, the projection reflects an absorption rate for the residential units that will be 25% of the absorption rate reflected in Exhibit IV for years 2017 and thereafter (See Exhibit IV-A). Under Alternative A, due to the delayed absorption, it is projected that the Surplus Fund will not be released until 2027 and the Series 2016B Bonds will not be paid until December 15, 2047. Exhibit III-A reflects the available funds for the repayment of the Series 2016B Bonds through December 15, 2047.

Great Western Park Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2016 through 2047

	Total	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Service Fund											
Beginning cash available	\$ -	\$ -	\$ 2,058,452	\$ 1,771,397	\$ 1,637,323	\$ 1,681,953	\$ 1,865,525	\$ 1,912,250	\$ 1,912,250	\$ 1,912,250	\$ 871,886
Revenues											
Property taxes	22,737,175	104,586	244,541	390,934	561,942	747,533	855,597	879,055	879,055	896,636	896,636
Specific ownership taxes	1,364,230	6,275	14,672	23,456	33,717	44,852	51,336	52,743	52,743	53,798	53,798
Transfer from Capital Projects	2,138,868	2,138,868									
	<u>26,240,273</u>	<u>2,249,729</u>	<u>259,213</u>	<u>414,390</u>	<u>595,659</u>	<u>792,385</u>	<u>906,933</u>	<u>931,798</u>	<u>931,798</u>	<u>950,434</u>	<u>950,434</u>
Expenditures											
Debt service - Series 2016A	22,758,058	187,708	540,600	540,600	540,600	595,600	683,400	697,600	701,000	714,000	716,200
Debt service - Series 2016B	2,895,878	-	-	-	-	-	161,974	219,012	215,612	1,261,348	218,915
Paying agent / trustee fees	60,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
County treasurer fees	341,059	1,569	3,668	5,864	8,429	11,213	12,834	13,186	13,186	13,450	13,450
	<u>26,054,995</u>	<u>191,277</u>	<u>546,268</u>	<u>548,464</u>	<u>551,029</u>	<u>608,813</u>	<u>860,208</u>	<u>931,798</u>	<u>931,798</u>	<u>1,990,798</u>	<u>950,565</u>
Ending cash available	\$ 185,278	\$ 2,058,452	\$ 1,771,397	\$ 1,637,323	\$ 1,681,953	\$ 1,865,525	\$ 1,912,250	\$ 1,912,250	\$ 1,912,250	\$ 871,886	\$ 871,755
Reserve Fund	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750
Capitalized Interest Fund	\$ 1,079,410	\$ 538,810	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Surplus Fund - Maximum \$1,104,500	\$ 107,292	\$ 360,837	\$ 765,573	\$ 810,203	\$ 993,775	\$ 1,040,500	\$ 1,040,500	\$ 1,040,500	\$ -	\$ -	\$ -
Excess Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136	\$ 5
Mill Levy	35.232	42.827	42.827	42.827	42.827	42.827	42.827	42.827	42.827	42.827	42.827
Debt to AV Ratio		193.43%	121.00%	84.18%	63.28%	55.01%	52.84%	52.03%	50.18%	49.24%	47.32%

**Great Western Park Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2016 through 2047**

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	Debt Service Fund										
Beginning cash available	\$ 871,755	\$ 871,947	\$ 871,826	\$ 872,128	\$ 962,366	\$ 971,043	\$ 979,720	\$ 984,471	\$ 991,722	\$ 997,853	\$ 1,003,984
Revenues											
Property taxes	914,569	914,569	932,861	932,861	733,184	733,184	747,848	747,848	762,805	762,805	778,061
Specific ownership taxes	54,874	54,874	55,972	55,972	43,991	43,991	44,871	44,871	45,768	45,768	46,684
Transfer from Capital Projects											
	969,443	969,443	988,833	988,833	777,175	777,175	792,719	792,719	808,573	808,573	824,745
Expenditures											
Debt service - Series 2016A	728,000	729,000	742,250	744,250	755,500	755,500	774,750	772,250	789,000	789,000	803,000
Debt service - Series 2016B	225,533	224,845	230,288	138,353	-	-	-	-	-	-	-
Paying agent / trustee fees	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
County treasurer fees	13,719	13,719	13,993	13,993	10,998	10,998	11,218	11,218	11,442	11,442	11,671
	969,252	969,564	988,531	898,596	768,498	768,498	787,968	785,468	802,442	802,442	816,671
Ending cash available	\$ 871,947	\$ 871,826	\$ 872,128	\$ 962,366	\$ 971,043	\$ 979,720	\$ 984,471	\$ 991,722	\$ 997,853	\$ 1,003,984	\$ 1,012,058
Reserve Fund	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750
Capitalized Interest Fund											
Surplus Fund - Maximum \$1,104,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess Revenues	\$ 197	\$ 76	\$ 378	\$ 90,616	\$ 99,293	\$ 107,970	\$ 112,721	\$ 119,972	\$ 126,103	\$ 132,234	\$ 140,308
Mill Levy	42.827	42.827	42.827	42.827	33.000	33.000	33.000	33.000	33.000	33.000	33.000
Debt to AV Ratio	46.27%	44.28%	43.09%	41.00%	39.65%	37.49%	35.94%	33.66%	31.93%	29.52%	27.59%

Great Western Park Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2016 through 2047

	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
	Debt Service Fund										
Beginning cash available	\$ 1,012,058	\$ 1,017,882	\$ 1,023,968	\$ 1,031,054	\$ 1,036,977	\$ 1,042,400	\$ 1,050,741	\$ 1,057,332	\$ 1,066,180	\$ 1,072,528	\$ 185,278
Revenues											
Property taxes	778,061	793,623	793,623	809,495	809,495	825,685	825,685	842,199	842,199	-	-
Specific ownership taxes	46,684	47,617	47,617	48,570	48,570	49,541	49,541	50,532	50,532	-	-
Transfer from Capital Projects											
	824,745	841,240	841,240	858,065	858,065	875,226	875,226	892,731	892,731	-	-
Expenditures											
Debt service - Series 2016A	805,250	821,250	820,250	838,000	838,500	852,500	854,250	869,250	871,750	887,250	-
Debt service - Series 2016B	-	-	-	-	-	-	-	-	-	-	-
Paying agent / trustee fees	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	-	-
County treasurer fees	11,671	11,904	11,904	12,142	12,142	12,385	12,385	12,633	12,633	-	-
	818,921	835,154	834,154	852,142	852,642	866,885	868,635	883,883	886,383	887,250	-
Ending cash available	\$ 1,017,882	\$ 1,023,968	\$ 1,031,054	\$ 1,036,977	\$ 1,042,400	\$ 1,050,741	\$ 1,057,332	\$ 1,066,180	\$ 1,072,528	\$ 185,278	\$ 185,278
Reserve Fund	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ -	\$ -
Capitalized Interest Fund											
Surplus Fund - Maximum \$1,104,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess Revenues	\$ 146,132	\$ 152,218	\$ 159,304	\$ 165,227	\$ 170,650	\$ 178,991	\$ 185,582	\$ 194,430	\$ 200,778	\$ 185,278	\$ 185,278
Mill Levy	33.000	33.000	33.000	33.000	33.000	33.000	33.000	33.000	33.000	-	-
Debt to AV Ratio	25.05%	22.89%	20.22%	17.81%	14.99%	12.33%	9.35%	6.41%	3.25%	0.00%	

Great Western Park Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2016 through 2047

Total	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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Calculation of Assessed Valuation District

Market values - residential homes (000's)

Beginning	4,168	4,168	32,169	56,297	95,893	144,466	201,766	249,931	257,861	257,861	263,019
Increases (see Exhibit V)	248,848	14,321	32,794	40,302	50,906	57,006	50,433	3,084	-	-	-
Increases prior years	(4,168)	13,679	(8,667)	(1,832)	(2,333)	(2,595)	(2,268)	(153)	-	-	-
Biennial reassessment (2% biennially)	78,183	-	-	1,126	-	2,889	-	4,999	-	5,157	-

Ending	327,031	32,169	56,297	95,893	144,466	201,766	249,931	257,861	257,861	263,019	263,019
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Residential assessment ratio	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%
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Assessed value - residential (000's)	2,561	4,481	7,633	11,499	16,061	19,895	20,526	20,526	20,936	20,936
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Market values - commercial - finished lots

Beginning	2,561	2,561	1,406	4,237	5,156	5,592	4,807	288	(0)	(0)	(0)
Increases - (see Exhibit V)	(1,432)	1,847	751	961	488	(727)	(4,467)	(285)	-	-	-
Adjustments	(1,129)	(3,002)	2,080	(42)	(52)	(58)	(52)	(3)	-	-	-

Ending	(0)	1,406	4,237	5,156	5,592	4,807	288	(0)	(0)	(0)	(0)
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Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
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Assessed value - commercial (000's)	408	1,229	1,495	1,622	1,394	83	(0)	(0)	(0)	(0)
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Total assessed valuation (000's)	2,968	5,710	9,128	13,121	17,455	19,978	20,526	20,526	20,936	20,936
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**Great Western Park Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2016 through 2047**

2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036

Calculation of Assessed Valuation District

Market values - residential homes (000's)											
Beginning	263,019	268,279	268,279	273,645	273,645	279,117	279,117	284,700	284,700	290,394	290,394
Increases (see Exhibit V)											
Increases prior years											
Biennial reassessment (2% biennially)	5,260	-	5,366	-	5,473	-	5,582	-	5,694	-	5,808
Ending	268,279	268,279	273,645	273,645	279,117	279,117	284,700	284,700	290,394	290,394	296,202
Residential assessment ratio	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%
Assessed value - residential (000's)	21,355	21,355	21,782	21,782	22,218	22,218	22,662	22,662	23,115	23,115	23,578
Market values - commercial - finished lots											
Beginning	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Increases - (see Exhibit V)											
Adjustments											
Ending	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Total assessed valuation (000's)	21,355	21,355	21,782	21,782	22,218	22,218	22,662	22,662	23,115	23,115	23,578

**Great Western Park Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2016 through 2047**

	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Calculation of Assessed Valuation District											
Market values - residential homes (000's)											
Beginning	296,202	296,202	302,126	302,126	308,168	308,168	314,332	314,332	320,618	320,618	327,031
Increases (see Exhibit V)											
Increases prior years											
Biennial reassessment (2% biennially)	-	5,924	-	6,043	-	6,163	-	6,287	-	6,412	-
Ending	296,202	302,126	302,126	308,168	308,168	314,332	314,332	320,618	320,618	327,031	327,031
Residential assessment ratio	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%
Assessed value - residential (000's)	23,578	24,049	24,049	24,530	24,530	25,021	25,021	25,521	25,521	26,032	26,032
Market values - commercial - finished lots											
Beginning	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Increases - (see Exhibit V)											
Adjustments											
Ending	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Total assessed valuation (000's)	23,578	24,049	24,049	24,530	24,530	25,021	25,021	25,521	25,521	26,032	26,032

Great Western Park Metropolitan District No. 2 Projected Schedule of General Obligation Debt - Series 2016A For the Years Ended December 31, 2016 through 2046

<u>Year</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Annual Total</u>	<u>Outstanding Balance</u>
					11,045,000
2016			187,708	187,708	11,045,000
2017			270,300		11,045,000
2017			270,300	540,600	11,045,000
2018			270,300		11,045,000
2018			270,300	540,600	11,045,000
2019			270,300		11,045,000
2019			270,300	540,600	11,045,000
2020			270,300		11,045,000
2020	55,000	4.000%	270,300	595,600	10,990,000
2021			269,200		10,990,000
2021	145,000	4.000%	269,200	683,400	10,845,000
2022			266,300		10,845,000
2022	165,000	4.000%	266,300	697,600	10,680,000
2023			263,000		10,680,000
2023	175,000	4.000%	263,000	701,000	10,505,000
2024			259,500		10,505,000
2024	195,000	4.000%	259,500	714,000	10,310,000
2025			255,600		10,310,000
2025	205,000	4.000%	255,600	716,200	10,105,000
2026			251,500		10,105,000
2026	225,000	4.000%	251,500	728,000	9,880,000
2027			247,000		9,880,000
2027	235,000	5.000%	247,000	729,000	9,645,000
2028			241,125		9,645,000
2028	260,000	5.000%	241,125	742,250	9,385,000
2029			234,625		9,385,000
2029	275,000	5.000%	234,625	744,250	9,110,000
2030			227,750		9,110,000
2030	300,000	5.000%	227,750	755,500	8,810,000
2031			220,250		8,810,000
2031	315,000	5.000%	220,250	755,500	8,495,000
2032			212,375		8,495,000
2032	350,000	5.000%	212,375	774,750	8,145,000
2033			203,625		8,145,000
2033	365,000	5.000%	203,625	772,250	7,780,000
2034			194,500		7,780,000
2034	400,000	5.000%	194,500	789,000	7,380,000
2035			184,500		7,380,000
2035	420,000	5.000%	184,500	789,000	6,960,000
2036			174,000		6,960,000
2036	455,000	5.000%	174,000	803,000	6,505,000
2037			162,625		6,505,000
2037	480,000	5.000%	162,625	805,250	6,025,000
2038			150,625		6,025,000
2038	520,000	5.000%	150,625	821,250	5,505,000
2039			137,625		5,505,000
2039	545,000	5.000%	137,625	820,250	4,960,000
2040			124,000		4,960,000
2040	590,000	5.000%	124,000	838,000	4,370,000
2041			109,250		4,370,000
2041	620,000	5.000%	109,250	838,500	3,750,000
2042			93,750		3,750,000
2042	665,000	5.000%	93,750	852,500	3,085,000
2043			77,125		3,085,000
2043	700,000	5.000%	77,125	854,250	2,385,000
2044			59,625		2,385,000
2044	750,000	5.000%	59,625	869,250	1,635,000
2045			40,875		1,635,000
2045	790,000	5.000%	40,875	871,750	845,000
2046			21,125		845,000
2046	845,000	5.000%	21,125	887,250	-
	<u>11,045,000</u>		<u>11,713,058</u>	<u>22,758,058</u>	

Great Western Park Metropolitan District No. 2 Projected Schedule of Subordinate General Obligation Debt - Series 2016B For the Years Ended December 31, 2016 through 2046

	7.25%					
Funds Available	Accrued Interest	Principal Paid	Interest Paid	Unpaid Interest	Total Paid	Principal Balance
7/26/2016						1,555,000
12/15/2016	-	43,529	-	-	43,529	1,555,000
12/15/2017	-	115,893	-	-	159,423	1,555,000
12/15/2018	-	124,296	-	-	283,718	1,555,000
12/15/2019	-	133,307	-	-	417,025	1,555,000
12/15/2020	-	142,972	-	-	559,997	1,555,000
12/15/2021	161,974	153,337	-	161,974	551,361	1,555,000
12/15/2022	219,012	152,711	-	219,012	485,060	1,555,000
12/15/2023	215,612	147,904	-	215,612	417,352	1,555,000
12/15/2024	1,261,484	142,996	701,000	560,348	-	1,261,348
12/15/2025	218,920	61,915	157,000	61,915	-	218,915
12/15/2026	225,729	50,533	175,000	50,533	-	225,533
12/15/2027	224,921	37,845	187,000	37,845	-	224,845
12/15/2028	230,666	24,288	206,000	24,288	-	230,288
12/15/2029	228,968	9,353	129,000	9,353	-	138,353
12/15/2030	99,293	-	-	-	-	-
12/15/2031	107,970	-	-	-	-	-
12/15/2032	112,721	-	-	-	-	-
12/15/2033	119,972	-	-	-	-	-
12/15/2034	126,103	-	-	-	-	-
12/15/2035	132,234	-	-	-	-	-
12/15/2036	140,308	-	-	-	-	-
12/15/2037	146,132	-	-	-	-	-
12/15/2038	152,218	-	-	-	-	-
12/15/2039	159,304	-	-	-	-	-
12/15/2040	-	-	-	-	-	-
12/15/2041	-	-	-	-	-	-
12/15/2042	-	-	-	-	-	-
12/15/2043	-	-	-	-	-	-
12/15/2044	-	-	-	-	-	-
12/15/2045	-	-	-	-	-	-
12/15/2046	-	-	-	-	-	-
		<u>1,340,878</u>	<u>1,555,000</u>	<u>1,340,878</u>		<u>2,895,878</u>

**Great Western Park Metropolitan District No. 2
Projected Schedules of Absorption
and Market Values
For the Years Ended December 31, 2014 through 2023**

Schedule of Absorption

Property Description	Prior	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Units Absorbed												
Residential												
SFD Cluster Patio Homes	0				18	30	30	7				85
SFD Patio Homes - Landmark	0	21	43	56	61	61	52					294
SFD Patio Homes - Pinnacle	0	9	25	28	28	28	22					140
	-	30	68	84	107	119	104	7	-	-	-	519
Finished Lots												
Residential												
SFD Cluster Patio Homes	-	-	-	18	12	-	(23)	(7)	-	-	-	-
SFD Patio Homes - Landmark	21	22	13	5	-	(9)	(52)	-	-	-	-	-
SFD Patio Homes - Pinnacle	9	16	3	-	-	(6)	(22)	-	-	-	-	-
	30	38	16	23	12	(15)	(97)	(7)	-	-	-	-

Schedule of Market Values

Property Description	Market Value	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Residential												
SFD Cluster Patio Homes	407,071	-	-	-	7,473,824	12,705,500	12,959,610	3,084,387	-	-	-	36,223,321
SFD Patio Homes - Landmark	455,686	9,569,406	19,594,498	25,518,416	28,352,783	28,919,839	25,146,037	-	-	-	-	137,100,978
SFD Patio Homes - Pinnacle	527,995	4,751,955	13,199,875	14,783,860	15,079,537	15,381,128	12,326,875	-	-	-	-	75,523,231
		14,321,361	32,794,373	40,302,276	50,906,144	57,006,467	50,432,522	3,084,387	-	-	-	248,847,530
Finished Lots (10% of Market Values)												
Residential												
SFD Cluster Patio Homes	-	-	-	732,728	488,485	-	(936,263)	(284,950)	-	-	-	(0)
SFD Patio Homes - Landmark	956,941	1,002,509	592,392	227,843	-	(410,117)	(2,369,567)	-	-	-	-	(0)
SFD Patio Homes - Pinnacle	475,196	844,792	158,399	-	-	(316,797)	(1,161,589)	-	-	-	-	-
	1,432,136	1,847,301	750,790	960,571	488,485	(726,914)	(4,467,420)	(284,950)	-	-	-	(0)

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Great Western Park Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2016 through 2047

	Total	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Service Fund											
Beginning cash available	\$ -	\$ -	\$ 2,058,452	\$ 1,771,397	\$ 1,588,742	\$ 1,450,778	\$ 1,313,777	\$ 1,138,256	\$ 1,008,637	\$ 927,010	\$ 896,913
Revenues											
Property taxes	27,046,194	104,586	244,541	344,445	387,211	440,764	487,923	545,437	594,615	656,367	707,583
Specific ownership taxes	1,622,771	6,275	14,672	20,667	23,233	26,446	29,275	32,726	35,677	39,382	42,455
Transfer from Capital Projects	2,138,868	2,138,868									
	<u>30,807,833</u>	<u>2,249,729</u>	<u>259,213</u>	<u>365,112</u>	<u>410,444</u>	<u>467,210</u>	<u>517,198</u>	<u>578,163</u>	<u>630,292</u>	<u>695,749</u>	<u>750,038</u>
Expenditures											
Debt service - Series 2016A	22,758,058	187,708	540,600	540,600	540,600	595,600	683,400	697,600	701,000	714,000	716,200
Debt service - Series 2016B	7,583,261	-	-	-	-	-	-	-	-	-	-
Paying agent / trustee fees	60,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
County treasurer fees	405,696	1,569	3,668	5,167	5,808	6,611	7,319	8,182	8,919	9,846	10,614
	<u>30,807,015</u>	<u>191,277</u>	<u>546,268</u>	<u>547,767</u>	<u>548,408</u>	<u>604,211</u>	<u>692,719</u>	<u>707,782</u>	<u>711,919</u>	<u>725,846</u>	<u>728,814</u>
Ending cash available	\$ 818	\$ 2,058,452	\$ 1,771,397	\$ 1,588,742	\$ 1,450,778	\$ 1,313,777	\$ 1,138,256	\$ 1,008,637	\$ 927,010	\$ 896,913	\$ 918,137
Reserve Fund	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750
Capitalized Interest Fund	\$ 1,079,410	\$ 538,810	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Surplus Fund - Maximum \$1,104,500	\$ 107,292	\$ 360,837	\$ 716,992	\$ 579,028	\$ 442,027	\$ 266,506	\$ 136,887	\$ 55,260	\$ 25,163	\$ 46,387	\$ -
Excess Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mill Levy	35.232	42.827	42.827	42.827	42.827	42.827	42.827	42.827	42.827	42.827	42.827
Debt to AV Ratio		193.43%	137.33%	122.16%	107.32%	96.46%	85.15%	76.92%	68.54%	62.40%	55.93%

**Great Western Park Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2016 through 2047**

2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036

Debt Service Fund

Beginning cash available	\$ 918,137	\$ 996,669	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750
Revenues												
Property taxes	773,715	827,106	897,836	943,497	978,539	978,539	998,110	998,110	1,018,072	1,018,072	1,038,433	1,038,433
Specific ownership taxes	46,423	49,626	53,870	56,610	58,712	58,712	59,887	59,887	61,084	61,084	62,306	62,306
Transfer from Capital Projects												
	820,138	876,732	951,706	1,000,107	1,037,251	1,037,251	1,057,997	1,057,997	1,079,156	1,079,156	1,100,739	1,100,739
Expenditures												
Debt service - Series 2016A	728,000	729,000	742,250	744,250	755,500	755,500	774,750	772,250	789,000	789,000	803,000	803,000
Debt service - Series 2016B	-	258,244	193,988	239,705	265,073	265,073	266,275	268,775	272,885	272,885	280,163	280,163
Paying agent / trustee fees	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
County treasurer fees	11,606	12,407	13,468	14,152	14,678	14,678	14,972	14,972	15,271	15,271	15,576	15,576
	741,606	1,001,651	951,706	1,000,107	1,037,251	1,037,251	1,057,997	1,057,997	1,079,156	1,079,156	1,100,739	1,100,739
Ending cash available	\$ 996,669	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750
Reserve Fund	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750
Capitalized Interest Fund												
Surplus Fund - Maximum \$1,104,500	\$ 124,919	-	-	-	-	-	-	-	-	-	-	-
Excess Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mill Levy	42.827	42.827	42.827	42.827	42.827	42.827	42.827	42.827	42.827	42.827	42.827	42.827
Debt to AV Ratio	51.16%	46.01%	42.60%	39.87%	38.56%	36.45%	34.95%	32.73%	31.05%	28.70%	26.83%	26.83%

Great Western Park Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2016 through 2047

	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
	Debt Service Fund										
Beginning cash available	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 991
Revenues											
Property taxes	1,038,433	1,059,202	1,059,202	1,080,386	1,080,386	1,101,994	1,101,994	1,124,034	1,124,034	1,146,514	1,146,514
Specific ownership taxes	62,306	63,552	63,552	64,823	64,823	66,120	66,120	67,442	67,442	68,791	68,791
Transfer from Capital Projects											
	1,100,739	1,122,754	1,122,754	1,145,209	1,145,209	1,168,114	1,168,114	1,191,476	1,191,476	1,215,305	1,215,305
Expenditures											
Debt service - Series 2016A	805,250	821,250	820,250	838,000	838,500	852,500	854,250	869,250	871,750	887,250	-
Debt service - Series 2016B	277,913	283,616	284,616	289,003	288,503	297,084	295,334	303,365	300,865	1,181,616	1,198,280
Paying agent / trustee fees	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000		
County treasurer fees	15,576	15,888	15,888	16,206	16,206	16,530	16,530	16,861	16,861	17,198	17,198
	1,100,739	1,122,754	1,122,754	1,145,209	1,145,209	1,168,114	1,168,114	1,191,476	1,191,476	2,086,064	1,215,478
Ending cash available	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 991	\$ 818
Reserve Fund	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	\$ 871,750	-	-
Capitalized Interest Fund											
Surplus Fund - Maximum \$1,104,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 991	\$ 818
Mill Levy	42.827	42.827	42.827	42.827	42.827	42.827	42.827	42.827	42.827	42.827	42.827
Debt to AV Ratio	24.36%	22.26%	19.66%	17.32%	14.57%	11.99%	9.09%	6.23%	3.16%	0.00%	

Great Western Park Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2016 through 2047

Total	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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Calculation of Assessed Valuation District

Market values - residential homes (000's)

Beginning	4,168	4,168	32,169	56,297	95,893	108,128	123,986	137,969	155,004	169,578	187,390
Increases (see Exhibit V)	263,351	14,321	32,794	40,302	12,818	14,345	14,632	14,924	15,223	15,069	15,370
Increases prior years	(4,168)	13,679	(8,667)	(1,832)	(583)	(649)	(649)	(649)	(649)	(649)	(649)
Biennial reassessment (2% biennially)	72,966	-	-	1,126	-	2,163	-	2,759	-	3,392	-

Ending	336,317	32,169	56,297	95,893	108,128	123,986	137,969	155,004	169,578	187,390	202,112
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Residential assessment ratio	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%
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Assessed value - residential (000's)	2,561	4,481	7,633	8,607	9,869	10,982	12,338	13,498	14,916	16,088
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Market values - commercial - finished lots

Beginning	2,561	2,561	1,406	4,237	1,413	1,498	1,457	1,416	1,371	1,330	1,413
Increases - (see Exhibit V)	(1,432)	1,847	751	(2,774)	122	-	-	-	(41)	-	-
Adjustments	(1,129)	(3,002)	2,080	(51)	(37)	(41)	(41)	(45)	-	83	83
Ending	(0)	1,406	4,237	1,413	1,498	1,457	1,416	1,371	1,330	1,413	1,496

Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
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Assessed value - commercial (000's)	408	1,229	410	434	422	411	397	386	410	434
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Total assessed valuation (000's)	2,968	5,710	8,043	9,041	10,292	11,393	12,736	13,884	15,326	16,522
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Great Western Park Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2016 through 2047

2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036

Calculation of Assessed Valuation District

Market values - residential homes (000's)

Beginning	202,112	221,183	236,525	257,473	274,029	287,044	287,044	292,785	292,785	298,640	298,640
Increases (see Exhibit V)	15,678	15,991	16,867	17,204	7,813						
Increases prior years	(649)	(649)	(649)	(649)	(278)						
Biennial reassessment (2% biennially)	4,042	-	4,731	-	5,481	-	5,741	-	5,856	-	5,973
Ending	221,183	236,525	257,473	274,029	287,044	287,044	292,785	292,785	298,640	298,640	304,613
Residential assessment ratio	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%
Assessed value - residential (000's)	17,606	18,827	20,495	21,813	22,849	22,849	23,306	23,306	23,772	23,772	24,247
Market values - commercial - finished lots											
Beginning	1,496	1,586	1,674	1,619	751	(0)	(0)	(0)	(0)	(0)	(0)
Increases - (see Exhibit V)	-	46	-	(768)	(616)						
Adjustments	90	42	(55)	(100)	(135)						
Ending	1,586	1,674	1,619	751	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	460	485	469	218	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Total assessed valuation (000's)	18,066	19,313	20,964	22,030	22,849	22,849	23,306	23,306	23,772	23,772	24,247

**Great Western Park Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2016 through 2047**

	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Calculation of Assessed Valuation District											
Market values - residential homes (000's)											
Beginning	304,613	304,613	310,705	310,705	316,919	316,919	323,258	323,258	329,723	329,723	336,317
Increases (see Exhibit V)											
Increases prior years											
Biennial reassessment (2% biennially)	-	6,092	-	6,214	-	6,338	-	6,465	-	6,594	-
Ending	304,613	310,705	310,705	316,919	316,919	323,258	323,258	329,723	329,723	336,317	336,317
Residential assessment ratio	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%	7.96%
Assessed value - residential (000's)	24,247	24,732	24,732	25,227	25,227	25,731	25,731	26,246	26,246	26,771	26,771
Market values - commercial - finished lots											
Beginning	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Increases - (see Exhibit V)											
Adjustments											
Ending	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Total assessed valuation (000's)	24,247	24,732	24,732	25,227	25,227	25,731	25,731	26,246	26,246	26,771	26,771

Great Western Park Metropolitan District No. 2 Projected Schedule of General Obligation Debt - Series 2016A For the Years Ended December 31, 2016 through 2046

<u>Year</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Annual Total</u>	<u>Outstanding Balance</u>
					11,045,000
2016			187,708	187,708	11,045,000
2017			270,300		11,045,000
2017			270,300	540,600	11,045,000
2018			270,300		11,045,000
2018			270,300	540,600	11,045,000
2019			270,300		11,045,000
2019			270,300	540,600	11,045,000
2020			270,300		11,045,000
2020	55,000	4.000%	270,300	595,600	10,990,000
2021			269,200		10,990,000
2021	145,000	4.000%	269,200	683,400	10,845,000
2022			266,300		10,845,000
2022	165,000	4.000%	266,300	697,600	10,680,000
2023			263,000		10,680,000
2023	175,000	4.000%	263,000	701,000	10,505,000
2024			259,500		10,505,000
2024	195,000	4.000%	259,500	714,000	10,310,000
2025			255,600		10,310,000
2025	205,000	4.000%	255,600	716,200	10,105,000
2026			251,500		10,105,000
2026	225,000	4.000%	251,500	728,000	9,880,000
2027			247,000		9,880,000
2027	235,000	5.000%	247,000	729,000	9,645,000
2028			241,125		9,645,000
2028	260,000	5.000%	241,125	742,250	9,385,000
2029			234,625		9,385,000
2029	275,000	5.000%	234,625	744,250	9,110,000
2030			227,750		9,110,000
2030	300,000	5.000%	227,750	755,500	8,810,000
2031			220,250		8,810,000
2031	315,000	5.000%	220,250	755,500	8,495,000
2032			212,375		8,495,000
2032	350,000	5.000%	212,375	774,750	8,145,000
2033			203,625		8,145,000
2033	365,000	5.000%	203,625	772,250	7,780,000
2034			194,500		7,780,000
2034	400,000	5.000%	194,500	789,000	7,380,000
2035			184,500		7,380,000
2035	420,000	5.000%	184,500	789,000	6,960,000
2036			174,000		6,960,000
2036	455,000	5.000%	174,000	803,000	6,505,000
2037			162,625		6,505,000
2037	480,000	5.000%	162,625	805,250	6,025,000
2038			150,625		6,025,000
2038	520,000	5.000%	150,625	821,250	5,505,000
2039			137,625		5,505,000
2039	545,000	5.000%	137,625	820,250	4,960,000
2040			124,000		4,960,000
2040	590,000	5.000%	124,000	838,000	4,370,000
2041			109,250		4,370,000
2041	620,000	5.000%	109,250	838,500	3,750,000
2042			93,750		3,750,000
2042	665,000	5.000%	93,750	852,500	3,085,000
2043			77,125		3,085,000
2043	700,000	5.000%	77,125	854,250	2,385,000
2044			59,625		2,385,000
2044	750,000	5.000%	59,625	869,250	1,635,000
2045			40,875		1,635,000
2045	790,000	5.000%	40,875	871,750	845,000
2046			21,125		845,000
2046	845,000	5.000%	21,125	887,250	-
	<u>11,045,000</u>		<u>11,713,058</u>	<u>22,758,058</u>	

Great Western Park Metropolitan District No. 2 Projected Schedule of Subordinate General Obligation Debt - Series 2016B For the Years Ended December 31, 2016 through 2047

	Funds Available	7.25% Accrued Interest	Principal Paid	Interest Paid	Unpaid Interest	Total Paid	Principal Balance
7/26/2016							1,555,000
12/15/2016	-	43,529	-	-	43,529	-	1,555,000
12/15/2017	-	115,893	-	-	159,423	-	1,555,000
12/15/2018	-	124,296	-	-	283,718	-	1,555,000
12/15/2019	-	133,307	-	-	417,025	-	1,555,000
12/15/2020	-	142,972	-	-	559,997	-	1,555,000
12/15/2021	-	153,337	-	-	713,334	-	1,555,000
12/15/2022	-	164,454	-	-	877,789	-	1,555,000
12/15/2023	-	176,377	-	-	1,054,166	-	1,555,000
12/15/2024	-	189,165	-	-	1,243,330	-	1,555,000
12/15/2025	-	202,879	-	-	1,446,209	-	1,555,000
12/15/2026	-	217,588	-	-	1,663,797	-	1,555,000
12/15/2027	258,244	233,363	-	258,244	1,638,916	258,244	1,555,000
12/15/2028	193,988	231,559	-	193,988	1,676,487	193,988	1,555,000
12/15/2029	239,705	234,283	-	239,705	1,671,065	239,705	1,555,000
12/15/2030	265,073	233,890	-	265,073	1,639,881	265,073	1,555,000
12/15/2031	265,073	231,629	-	265,073	1,606,437	265,073	1,555,000
12/15/2032	266,275	229,204	-	266,275	1,569,367	266,275	1,555,000
12/15/2033	268,775	226,517	-	268,775	1,527,108	268,775	1,555,000
12/15/2034	272,885	223,453	-	272,885	1,477,676	272,885	1,555,000
12/15/2035	272,885	219,869	-	272,885	1,424,660	272,885	1,555,000
12/15/2036	280,163	216,025	-	280,163	1,360,522	280,163	1,555,000
12/15/2037	277,913	211,375	-	277,913	1,293,985	277,913	1,555,000
12/15/2038	283,616	206,551	-	283,616	1,216,920	283,616	1,555,000
12/15/2039	284,616	200,964	-	284,616	1,133,268	284,616	1,555,000
12/15/2040	289,003	194,899	-	289,003	1,039,165	289,003	1,555,000
12/15/2041	288,503	188,077	-	288,503	938,739	288,503	1,555,000
12/15/2042	297,084	180,796	-	297,084	822,451	297,084	1,555,000
12/15/2043	295,334	172,365	-	295,334	699,482	295,334	1,555,000
12/15/2044	303,365	163,450	-	303,365	559,567	303,365	1,555,000
12/15/2045	300,865	153,306	-	300,865	412,008	300,865	1,555,000
12/15/2046	1,182,607	142,608	627,000	554,616	-	1,181,616	928,000
12/15/2047	1,199,098	67,280	1,131,000	67,280	-	1,198,280	(203,000)
		5,825,261	627,000	5,825,261		7,583,261	

**Great Western Park Metropolitan District No. 2
Projected Schedules of Absorption
and Market Values
For the Years Ended December 31, 2014 through 2028**

Schedule of Absorption

Property Description	Prior	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
Units Absorbed																	
Residential																	
SFD Cluster Patio Homes	0				5	8	8	8	8	7	7	7	7	7	7	6	85
SFD Patio Homes - Landmark	0	21	43	56	15	15	15	15	15	15	15	15	15	16	16	7	294
SFD Patio Homes - Pinnacle	0	9	25	28	7	7	7	7	7	7	7	7	7	7	7	1	140
	-	30	68	84	27	30	30	30	30	29	29	29	29	30	30	14	519
Finished Lots																	
Residential																	
SFD Cluster Patio Homes	-	-	-	5	3	-	-	-	(1)	-	-	-	-	-	(1)	(6)	-
SFD Patio Homes - Landmark	21	22	13	(41)	-	-	-	-	-	-	-	-	1	-	(9)	(7)	-
SFD Patio Homes - Pinnacle	9	16	3	(21)	-	-	-	-	-	-	-	-	-	-	(6)	(1)	-
	30	38	16	(57)	3	-	-	-	(1)	-	-	-	1	-	(16)	(14)	-

Schedule of Market Values

Market Value	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
Residential																
SFD Cluster Patio Homes	407,071	-	-	2,076,062	3,388,133	3,455,896	3,525,014	3,595,514	3,208,996	3,273,176	3,338,640	3,405,413	3,473,521	3,542,991	3,097,587	39,380,944
SFD Patio Homes - Landmark	455,686	9,569,406	19,594,498	25,518,416	6,971,996	7,111,436	7,253,664	7,398,738	7,546,712	7,697,647	7,851,600	8,008,632	8,168,804	8,887,659	9,065,412	144,690,060
SFD Patio Homes - Pinnacle	527,995	4,751,955	13,199,875	14,783,860	3,769,884	3,845,282	3,922,188	4,000,631	4,080,644	4,162,257	4,245,502	4,330,412	4,417,020	4,505,361	4,595,468	79,279,965
	14,321,361	32,794,373	40,302,276	12,817,942	14,344,851	14,631,748	14,924,383	15,222,871	15,068,900	15,370,278	15,677,684	15,991,237	16,866,541	17,203,872	7,812,652	263,350,969
Finished Lots (10% of Market Values)	2013															
Residential																
SFD Cluster Patio Homes	-	-	203,536	122,121	-	-	-	(40,707)	-	-	-	-	-	(40,707)	(244,243)	-
SFD Patio Homes - Landmark	956,941	1,002,509	592,392	(1,868,313)	-	-	-	-	-	-	-	45,569	-	(410,117)	(318,980)	(0)
SFD Patio Homes - Pinnacle	475,196	844,792	158,399	(1,108,790)	-	-	-	-	-	-	-	-	-	(316,797)	(52,800)	-
	1,432,136	1,847,301	750,790	(2,773,567)	122,121	-	-	(40,707)	-	-	-	45,569	-	(767,622)	(616,022)	(0)

APPENDIX B

SELECTED DEFINITIONS

“*2008 Election*” means the election of the District duly and properly held on November 4, 2008.

“*2012 Election*” means the election of the District duly and properly held on November 6, 2012.

“*Additional Bonds*” means (a) all obligations of the District for borrowed money and reimbursement obligations; (b) all obligations of the District constituting a lien or encumbrance upon any ad valorem tax revenues of the District or any part of the Senior Pledged Revenue, pursuant to the Senior Indenture, or any part of the Subordinate Pledged Revenue, pursuant to the Subordinate Indenture; (c) all obligations of the District evidenced by bonds, debentures, notes, or other similar instruments; (d) all obligations of the District as lessee under capital leases; and (e) all obligations of others guaranteed by the District; provided that notwithstanding the foregoing, the term “Additional Bonds” does not include:

(i) obligations the repayment of which is contingent upon the District’s annual determination to appropriate moneys therefor, other than capital leases as set forth in (e) above, which obligations do not constitute a multiple-fiscal year financial obligation and do not obligate the District to impose any tax, fee, or other governmental charge;

(ii) obligations which are payable solely from the proceeds of additional District obligations, when and if issued;

(iii) obligations payable solely from periodic, recurring service charges imposed by the District for the use of any District facility or service, which obligations do not constitute a debt or indebtedness of the District or an obligation required to be approved at an election under Colorado law;

(iv) obligations to reimburse any person in respect of surety bonds, financial guaranties, letters of credit, or similar credit enhancements so long as (A) such surety bonds, financial guaranties, letters of credit, or similar credit enhancements are issued as security for, pursuant to the Senior Indenture, any Senior Bonds or Subordinate Bonds, and pursuant to the Subordinate Indenture, any Senior Bonds, Subordinate Bonds, or Second Subordinate Bonds, and (B) such reimbursement obligations are payable from the same or fewer revenue sources, with the same or a subordinate lien priority, as the obligations, supported by the surety bonds, financial guaranties, letters of credit, or similar credit enhancements; and

(v) any operating leases, payroll obligations, accounts payable, or taxes incurred or payable in the ordinary course of business of the District.

“*Authorized Denominations*” means initially, the amount of \$500,000 or any integral multiple of \$1,000 in excess thereof, provided that:

(a) no individual Bond may be in an amount which exceeds the principal amount coming due on any maturity date;

(b) in the event a Bond is partially redeemed and the unredeemed portion is less than \$500,000, such unredeemed portion of such Bond may be issued in the largest possible

denomination of less than \$500,000, in integral multiples of not less than \$1,000 each or any integral multiple thereof; and

(c) with respect to the Series 2016A Senior Bonds only, the Authorized Denominations shall be reduced to \$1,000 or any integral multiple thereof in the event that the Trustee receives an opinion of Counsel that the District has filed a notice of a claim of exemption, along with all other required documents necessary to exempt the Bonds under any of the exemptions from registration contemplated by §11-59-110, C.R.S., or any successor statute, or has taken other actions which permit the Bonds to be issued in denominations of \$1,000 or integral multiples thereof under the Colorado Municipal Bond Supervision Act, Title 11, Article 59, C.R.S., or any successor statute.

“*Beneficial Owner*” means any person for which a Participant acquires an interest in the Bonds.

“*Board*” means the Board of Directors of the District, being its governing body.

“*Bond Year*” means (a) with respect to the Series 2016A Senior Bonds and any other Senior Bonds, the period commencing December 2 of any calendar year and ending December 1 of the following calendar year and (b) with respect to the Series 2016B Subordinate Bonds and any other Subordinate Bonds, the period commencing December 16 of any calendar year and ending December 15 of the following calendar year.

“*Bonds*” means, collectively, the Series 2016A Senior Bonds and the Series 2016B Subordinate Bonds.

“*Broomfield*” means the City and County of Broomfield, Colorado.

“*Capital Fees*” means all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District or any District-owned “enterprise” under Article X, Section 20 of the Colorado Constitution, for services, programs, or facilities furnished by the District, whether now in effect or imposed in the future, and including the revenue derived from any action to enforce the collection of Capital Fees, and the revenue derived from the sale or other disposition of property acquired by the District from any action to enforce the collection of Capital Fees.

“*Cede & Co.*” means Cede & Co., the nominee of DTC as record owner of the Bonds, or any successor nominee of DTC with respect to the Bonds.

“*Certified Public Accountant*” means an independent certified public accountant within the meaning of Section 12-2-115, C.R.S., and any amendment thereto, licensed to practice in the State.

“*City*” means the City Broomfield, Colorado, being comprised of the City and County of Broomfield, Colorado.

“*City and County*” means the City and County of Broomfield, Colorado.

“*City Council*” means the City Council of the City, being the governing body of the City.

“*Consent Party*” means the Owner of a Bond or, if such Bond is held in the name of Cede & Co., the Participant (as determined by a list provided by DTC) with respect to such Bond. The District may at its option determine whether the Owner or the Participant is the Consent Party with respect to any particular amendment or other matter under the Indentures.

“*Conversion Date*” means the first date on which both of the following conditions are met (being the date on which the Series 2016A Senior Bonds convert from limited tax obligations to unlimited tax general obligations of the District and the Senior Required Mill Levy is as set forth in paragraph (b) of the definition thereof):

- (a) the Senior Debt to Assessed Ratio is 50% or less; and
- (b) no amounts of principal or interest on the Series 2016A Senior Bonds are due but unpaid.

“*Counsel*” means a person, or firm of which such a person is a member, authorized in any state to practice law.

“*County*” means Broomfield County, Colorado, being comprised of the City and County of Broomfield, Colorado.

“*C.R.S.*” means the Colorado Revised Statutes, as amended and supplemented as of the date of the Indentures.

“*Depository*” means any securities depository as the District may provide and appoint, in accordance with the guidelines of the Securities and Exchange Commission, which shall act as securities depository for the Bonds.

“*Development*” or “*Skyestone*” means the age-restricted residential development known as Skyestone which is planned to include approximately 519 single family residential units, including patio homes and cluster homes, located in the City and County of Broomfield.

“*District*” means Great Western Park Metropolitan District No. 2, in the City and County of Broomfield, Colorado, and its successors and assigns.

“*District No. 1*” means Great Western Park Metropolitan District No. 1, in the City and County of Broomfield County, Colorado, and its successors and assigns.

“*District No. 1 Board*” means the Board of Directors of District No. 1, being its governing body.

“*District No. 3*” means Great Western Park Metropolitan District No. 3, in the City and County of Broomfield County, Colorado, and its successors and assigns.

“*District Representative*” means the person or persons at the time designated to act on behalf of the District by the Senior Bond Resolution, with respect to the Senior Bonds and Senior Indenture, and by the Subordinate Bond Resolution, with respect to the Subordinate Bonds and Subordinate Indenture, or as designated by written certificate furnished to the Trustee containing the specimen signatures of such person or persons and signed on behalf of the District by its President or Vice President and attested by its Secretary or an Assistant Secretary, and any alternate or alternates designated as such therein.

“*DTC*” means the Depository Trust Company, New York, New York, and its successors and assigns.

“*Elections*” means, collectively, the 2008 Election and the 2012 Election.

“*Event of Default*” means any one or more of the events set forth in Section 8.01 of the Senior Indenture or the Subordinate Indenture, as applicable. For more information, see the Limited Offering Memorandum under the captions “THE SERIES 2016A SENIOR BONDS—Certain Senior Indenture Provisions—*Events of Default*” and “THE SERIES 2016B SUBORDINATE BONDS—Certain Subordinate Indenture Provisions—*Events of Default*.”

“*Federal Securities*” means direct obligations of (including obligations issued or held in book-entry form on the books of), or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

“*Financial Forecast*” means the cash flow projection schedules presented in APPENDIX A of the Limited Offering Memorandum prepared by Simmons & Wheeler, P.C., Certified Public Accountants, Centennial, Colorado.

“*Indentures*” means, collectively, the Senior Indenture and the Subordinate Indenture.

“*Maximum Surplus Amount*” means the amount of \$1,104,500, which is the maximum amount of the Senior Surplus Fund.

“*Original Landowner*” means Great Western Park, LLC, a Colorado limited liability company, or affiliated entities.

“*Original Service Plan*” means the Service Plan for Great Western Park Metropolitan District (to be known as Great Western Park Metropolitan District No. 3) approved by the City Council on August 28, 2001. The Original Service Plan was subsequently superseded in its entirety, with respect to the District, by the Service Plan.

“*Outstanding*” or “*Outstanding Bonds*” means as of any particular time, all Bonds which have been duly authenticated and delivered by the Trustee under the Senior Indenture or Subordinate Indenture, as applicable, except:

(a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation because of payment at maturity or prior redemption;

(b) Bonds for the payment or redemption of which moneys or Federal Securities in an amount sufficient (as determined pursuant to Section 7.01(b) of the Senior Indenture or Subordinate Indenture, as applicable) shall have been theretofore deposited with the Trustee, or Bonds for the payment or redemption of which moneys or Federal Securities in an amount sufficient (as determined pursuant to Section 7.01(b) of the Senior Indenture or Subordinate Indenture, as applicable) shall have been placed in escrow and in trust; and

(c) Bonds in lieu of which other Bonds have been authenticated and delivered pursuant to Section 2.06 or Section 2.09 of the Senior Indenture or Subordinate Indenture, as applicable.

“*Owner(s)*” or “*Owner(s) of Bonds*” means the registered owner(s) of any Bond(s) as shown on the registration books maintained by the Trustee under the Indentures, respectively.

“*Participants*” means any broker-dealer, bank, or other financial institution from time to time for which DTC or another Depository holds the Bonds.

“*Permitted Investments*” means shall mean any investment or deposit the District is permitted to make under then applicable law.

“*Permitted Refunding Bonds*” as defined in the Senior Indenture, means Senior Bonds issued for refunding or refinancing purposes, so long as each of the following conditions are met:

(a) Such refunding obligations are issued solely for the purpose of paying the costs of refunding all or any part of any obligation of the District which constitutes a lien upon the ad valorem tax revenues of the District or the Senior Pledged Revenue or any part thereof, pursuant to the Senior Indenture, or the Subordinate Pledged Revenue or any part thereof, pursuant to the Subordinate Indenture, which costs may include amounts sufficient to pay all expenses in connection with such refunding or refinancing, to fund reserve funds, sinking funds, and similar funds, and to pay the costs of letters of credit, credit facilities, interest rate exchange agreements, bond insurance, or other financial products pertaining to such refunding or refinancing.

(b) Such refunding obligations do not increase the District’s scheduled debt service in any year from that which appertained prior to the issuance of such refunding obligations. For purposes of the foregoing, obligations issued for refunding purposes which have any scheduled payment dates in any year which is after the maturity of the obligations being refunded shall be deemed to increase the District’s debt service in any year.

(c) If any additional reserve funds, surplus funds, sinking funds, or other similar funds or accounts are created for the additional security of such refunding obligations, the Series 2016A Senior Bonds shall also be secured thereby on a *pari passu* basis. It is the intent of the Senior Indenture that the refunding obligations may be secured by the Senior Reserve Fund and the Senior Surplus Fund in the same fashion as the Series 2016A Senior Bonds, as provided in the Sections thereof entitled “Reserve Fund” and “Surplus Fund.” (See information in the Limited Offering Memorandum under the captions “THE SERIES 2016A SENIOR BONDS—Certain Senior Indenture Provisions—*Senior Reserve Fund* and —*Senior Surplus Fund*.”)

(d) Such refunding obligations are payable on the same day or days of the calendar year as the Series 2016A Senior Bonds, and are not subject to acceleration.

(e) The ad valorem mill levy pledged to the payment of the refunding obligations shall be not higher than and subject to the same deductions and adjustments as the ad valorem mill levy pledged to the payment of the Series 2016A Senior Bonds.

(f) The remedies for defaults under such refunding obligations are substantially the same as the remedies applicable to the Series 2016A Senior Bonds.

“*Permitted Refunding Bonds*” as defined in the Subordinate Indenture, means Senior Bonds issued for refunding or refinancing purposes, so long as each of the following conditions are met:

(a) Subject to the provisions of (f) hereafter, such refunding obligations are issued solely for the purpose of paying the costs of refunding all or any part of any Senior Bonds, which costs may include amounts sufficient to pay all expenses in connection with such refunding or refinancing, to fund reserve funds, sinking funds, and similar funds, and to pay the costs of letters of credit, credit facilities, interest rate exchange agreements, bond insurance, or other financial products pertaining to such refunding or refinancing.

(b) Such refunding obligations do not increase the District's scheduled debt service with respect to Senior Bonds in any year from that which appertained prior to the issuance of such refunding obligations. For purposes of the foregoing, obligations issued for refunding purposes which have any scheduled payment dates in any year which is after the maturity of the obligations being refunded shall be deemed to increase the District's debt service in any year.

(c) No additional reserve funds, surplus funds, sinking funds, or other similar funds or accounts are created for the additional security of such refunding obligations if such funds or accounts are funded or replenished from the District's ad valorem taxes, Capital Fees, or Specific Ownership Taxes; provided that (i) the refunding obligations may be secured by the Senior Reserve Fund in the same fashion as the Series 2016A Senior Bonds, as provided in the Senior Indenture so long as the Senior Required Reserve is not increased; (ii) the refunding obligations may be secured by the Senior Surplus Fund in the same fashion as the Series 2016A Senior Bonds, as provided in the Senior Indenture so long as the Maximum Surplus Amount is not increased; and (iii) nothing herein shall be construed as prohibiting the creation of any such additional reserve funds, surplus funds, sinking funds, or other similar funds or accounts which are funded and replenished solely from sources of revenue other than the District's ad valorem taxes, Capital Fees, or Specific Ownership Taxes.

(d) Such refunding obligations are payable on the same day or days of the calendar year as the Senior Bonds being refunded, and are not subject to acceleration.

(e) The ad valorem mill levy pledged to the payment of the refunding obligations shall be not higher than and subject to the same deductions and adjustments as the ad valorem mill levy pledged to the payment of the Senior Bonds being refunded.

(f) The remedies for defaults under such refunding obligations are substantially the same as the remedies applicable to the Senior Bonds being refunded.

(g) Notwithstanding the provisions of (a) above, Permitted Refunding Bonds issued to refund Senior Bonds may also include amounts to refund a portion of the Series 2016B Subordinate Bonds so long as the foregoing tests are met with respect to the Senior Bonds being refunded.

"Project" means the acquisition, construction, and installation of public facilities the debt for which was approved at the 2012 Election, including without limitation necessary or appropriate equipment.

"Project Costs" means the District's costs properly attributable to the Project or any part thereof, including without limitation:

(a) the costs of labor and materials, of machinery, furnishings, and equipment, and of the restoration of property damaged or destroyed in connection with construction work;

(b) the costs of insurance premiums, indemnity and fidelity bonds, financing charges, bank fees, taxes, or other municipal or governmental charges lawfully levied or assessed;

(c) administrative and general overhead costs;

(d) the costs of reimbursing funds advanced by the District in anticipation of reimbursement from Bond proceeds, including any intrafund or interfund loan;

- (e) the costs of surveys, appraisals, plans, designs, specifications, and estimates;
- (f) the costs, fees, and expenses of printers, engineers, architects, financial consultants, legal advisors, or other agents or employees;
- (g) the costs of publishing, reproducing, posting, mailing, or recording documents;
- (h) the costs of contingencies or reserves;
- (i) the costs of issuing the Bonds;
- (j) the costs of amending the Indentures, the Senior Bond Resolution, the Subordinate Bond Resolution, or any other instrument relating to the Bonds or the Project;
- (k) the costs of repaying any short-term financing, construction loans, and other temporary loans, and of the incidental expenses incurred in connection with such loans;
- (l) the costs of acquiring any property, rights, easements, licenses, privileges, agreements, and franchises;
- (m) the costs of demolition, removal, and relocation; and
- (n) all other lawful costs as determined by the Board.

“Public Improvements” means the public improvements, including the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of water, sewer, street, safety protection, parks and recreation, transportation, television relay and translation facilities, mosquito control and limited fire protection services within and without the boundaries of the District to serve the future taxpayers and inhabitants of the District pursuant to the District’s Service Plan and the Special District Act.

“Second Subordinate Bonds” means Additional Bonds payable in whole or in part from any Subordinate Pledged Revenue available under clause SECOND of the section of the Subordinate Indenture described in “THE SERIES 2016B SUBORDINATE BONDS—Certain Subordinate Indenture Provisions—*Subordinate Flow of Funds*” and not from Subordinate Pledged Revenue available under clause FIRST of such section. For purposes of this definition, Additional Bonds having a lien upon the District’s ad valorem tax revenues shall be considered obligations having a lien upon the Subordinate Pledged Revenue or any part thereof. Any Second Subordinate Bonds issued after the issuance of the Series 2016B Subordinate Bonds may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District.

“Senior Bond Fund” means the special fund known as the “Great Western Park Metropolitan District No. 2 General Obligation (Limited Tax Convertible To Unlimited Tax) Bonds, Series 2016A, Bond Fund,” established by the provisions of the Senior Indenture for the purpose of paying the principal of, premium if any, and interest on the Series 2016A Senior Bonds.

“Senior Bond Resolution” means the resolution authorizing the issuance of the Series 2016A Senior Bonds and the execution of the Senior Indenture, certified by the Secretary or an Assistant Secretary of the District to have been duly adopted by the District and to be in full force and effect on the date of such certification, including any amendments or supplements made thereto.

“*Senior Bond Year*” means the period commencing December 2 of any calendar year and ending December 1 of the following calendar year.

“*Senior Bonds*” means the Series 2016A Senior Bonds and any Additional Bonds having a lien upon the Senior Pledged Revenue or any part thereof on a parity with the lien thereon of the Series 2016A Senior Bonds, and superior to the lien of the Subordinate Bonds, payable in whole or in part from moneys described in FIRST through THIRD in the section of the Senior Indenture described in “THE SERIES 2016A SENIOR BONDS—Certain Senior Indenture Provisions—*Senior Flow of Funds*.” For purposes of this definition, Additional Bonds having a lien upon the District’s ad valorem tax revenues shall be considered obligations having a lien upon the Senior Pledged Revenue or any part thereof. Any Senior Bonds issued after the issuance of the Series 2016A Senior Bonds may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District.

“*Senior Debt to Assessed Ratio*” means the ratio derived by dividing the then-outstanding principal amount of all Senior Bonds, including the Series 2016A Senior Bonds, of the District by the assessed valuation of the taxable property of the District, as such assessed valuation is certified from time to time by the appropriate county assessor. The principal amount of any Subordinate Bonds shall not be included in the calculation of the Senior Debt to Assessed Ratio.

“*Senior Indenture*” means that certain Indenture of Trust between the District and UMB Bank, n.a., in its role as trustee thereunder, pursuant to which the Series 2016A Senior Bonds are issued, including any supplements or amendments thereto adopted in accordance therewith.

“*Senior Pledged Revenue*” means the moneys derived by the District from the following sources, net of any costs of collection:

- (a) the Senior Required Mill Levy;
- (b) the Capital Fees, if any;
- (c) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; and
- (d) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

“*Senior Project Fund*” means a special fund of the District designated the “Great Western Park Metropolitan District No. 2 General Obligation (Limited Tax Convertible To Unlimited Tax) Bonds, Series 2016A, Project Fund,” established by the provisions of the Senior Indenture for the purpose of paying the Project Costs.

“*Senior Record Date*” means the fifteenth (15th) day of the calendar month next preceding each interest payment date.

“*Senior Required Mill Levy*” shall have the following meaning:

- (a) Subject to paragraph (c) below, prior to the Conversion Date, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount sufficient, when combined with other legally available moneys in the Bond Fund (not including the Reserve Fund or the Surplus Fund), to pay the principal of, premium if any, and interest on the Bonds as the same become due and payable and to fund the Reserve Fund

up to the Required Reserve, but not in excess of 42.827 mills less the number of mills necessary to pay unlimited mill levy debt, and for so long as the Surplus Fund is less than the Maximum Surplus Amount, not less than 42.827 mills less the number of mills necessary to pay unlimited mill levy debt, or such lesser mill levy which, when combined with other Pledged Revenue legally available in the Bond Fund, will permit the District to fully fund the Bond Fund for the next Bond Year and pay the Bonds as they come due, to fund the Reserve Fund up to the Required Reserve, and to fund the Surplus Fund up to the Maximum Surplus Amount; provided that if there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after the date of issuance of the Series 2016A Senior Bonds, are neither diminished nor enhanced as a result of such changes.

(b) Subject to paragraph (c) below, on and after the Conversion Date, an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal of, premium if any, and interest on the Series 2016A Senior Bonds as the same become due and payable, without limitation of rate and in amounts sufficient to make such payments when due. On and after the Conversion Date, the definition of “Senior Required Mill Levy” thereafter shall be determined exclusively by this subparagraph (b) regardless of any subsequent increase in the Senior Debt to Assessed Ratio.

(c) Notwithstanding anything herein to the contrary, in no event may the Senior Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District’s electoral authorization, and if the Senior Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District’s electoral authorization, the Senior Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

“*Senior Required Reserve*” means the amount of \$871,750, which is the amount required to be maintained in the Senior Reserve Fund.

“*Senior Reserve Fund*” means a special fund of the District designated as the “Great Western Park Metropolitan District No. 2 General Obligation Limited Tax Bonds, Series 2016A, Reserve Fund,” created by the provisions of Senior Indenture for the purpose of paying, if necessary, the principal of, premium if any, and interest on the Series 2016A Senior Bonds.

“*Senior Surplus Fund*” means the “Great Western Park Metropolitan District No. 2 General Obligation Limited Tax Bonds, Series 2016A, Senior Surplus Fund,” created by the provisions of the Senior Indenture for the purposes set forth therein.

“*Series 2016A Senior Bonds*” means the District’s General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2016A, in the aggregate principal amount of \$11,045,000, as issued pursuant to the Senior Indenture and the Senior Bond Resolution.

“*Series 2016B Subordinate Bonds*” means the District’s Subordinate General Obligation Limited Tax Bonds, Series 2016B in the maximum principal amount of \$1,555,000, as issued pursuant to the Subordinate Indenture and the Subordinate Bond Resolution.

“*Service*” means the Internal Revenue Service.

“*Service Plan*” means the Service Plan for Great Western Park Metropolitan District No. 2 (Residential Financing District) (City and County of Broomfield, Colorado), approved by the City Council pursuant to Resolution No. 2008-161 on September 9, 2008, which service plan superseded, with respect to the District, the Original Service Plan in its entirety.

“*Skyestone*” or “*Development*” means the age-restricted residential development known as Skyestone which is planned to include approximately 519 single family residential units, including patio homes and cluster homes, located in the City and County of Broomfield.

“*Special District Act*” means Title 32, Article 1, Colorado Revised Statutes.

“*Special Record Date*” means the record date for determining Bond ownership for purposes of paying unpaid interest, as such date may be determined pursuant to the Senior Indenture or Subordinate Indenture, as applicable.

“*Specific Ownership Tax*” means the specific ownership tax which is collected by the county and remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute.

“*State*” means the State of Colorado.

“*Subordinate Bond Fund*” means the “Great Western Park Metropolitan District No. 2 Subordinate General Obligation Limited Tax Bonds, Series 2016B, Subordinate Bond Fund,” established by the provisions of the Subordinate Indenture for the purpose of paying the principal of, premium if any, and interest on the Series 2016B Subordinate Bonds.

“*Subordinate Bond Termination Date*” means December 16, 2056, being the date on which no further payments will be due on the Series 2016B Subordinate Bonds, regardless of the amount of principal and interest paid on the Series 2016B Subordinate Bonds prior to that date.

“*Subordinate Bond Year*” means the period from December 16 of any calendar year to December 15 of the following calendar year.

“*Subordinate Bond Resolution*” means the resolution authorizing the issuance of the Series 2016B Subordinate Bonds and the execution of the Subordinate Indenture, certified by the Secretary or an Assistant Secretary of the District to have been duly adopted by the District and to be in full force and effect on the date of such certification, including any amendments or supplements made thereto.

“*Subordinate Bonds*” as defined in the Senior Indenture, means Additional Bonds having a lien upon the Senior Pledged Revenue or any part thereof junior and subordinate to the lien thereon of the Series 2016A Senior Bonds, payable in whole or in part from moneys described in FOURTH or FIFTH of the section of the Senior Indenture described in “THE SERIES 2016A SENIOR BONDS—Certain Senior Indenture Provisions—*Senior Flow of Funds*,” and not from moneys described in FIRST through THIRD of such section. For purposes of this definition, Additional Bonds having a lien upon the District’s ad valorem tax revenues shall be considered obligations having a lien upon the Senior Pledged Revenue or any part thereof. Any Subordinate Bonds issued after the issuance of the Series 2016A Senior Bonds may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District.

“*Subordinate Bonds*” as defined in the Subordinate Indenture, means the Series 2016B Subordinate Bonds and any other bonds, notes, debentures, or other multiple fiscal year financial obligations payable in whole or in part from the Subordinate Pledged Revenue available under FIRST of

the section of the Subordinate Indenture described in “THE SERIES 2016B SUBORDINATE BONDS—Certain Subordinate Indenture Provisions—*Subordinate Flow of Funds*,” For purposes of this definition, Additional Bonds having a lien upon the District’s ad valorem tax revenues are to be considered obligations having a lien upon the Subordinate Pledged Revenue or any part thereof. Any Subordinate Bonds issued after the issuance of the Series 2016B Subordinate Bonds may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District.

“*Subordinate Capital Fee Revenue*” means any revenue from Capital Fees remaining after deduction of any amount thereof used, paid, pledged, or otherwise applied to the payment of the Series 2016A Senior Bonds and any other Senior Bonds.

“*Subordinate Indenture*” means that certain Indenture of Trust between the District and UMB Bank, n.a., in its role as trustee thereunder, pursuant to which the Series 2016B Subordinate Bonds are issued, including any supplements or amendments thereto adopted in accordance therewith.

“*Subordinate Pledged Revenue*” means the moneys derived by the District from the following sources, net of any costs of collection:

- (a) the Subordinate Required Mill Levy;
- (b) the Subordinate Capital Fee Revenue, if any;
- (c) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Subordinate Required Mill Levy; and
- (d) the amounts, if any, in the Senior Surplus Fund after the termination of such fund pursuant to the Senior Indenture; and
- (e) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

“*Subordinate Project Fund*” means the “Great Western Park Metropolitan District No. 2 Subordinate General Obligation Limited Tax Bonds, Series 2016B, Project Fund,” established by the provisions of the Subordinate Indenture for the purpose of paying the Project Costs.

“*Subordinate Record Date*” means the last day of the calendar month next preceding each interest payment date.

“*Subordinate Required Mill Levy*” shall have the following meaning:

- (a) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in the amount of (i) 42.827 mills less the amount of the Senior Required Mill Levy and the number of mills necessary to pay unlimited mill levy debt of the District, or (ii) such lesser mill levy which, after deduction of the Senior Required Mill Levy and the number of mills necessary to pay unlimited mill levy debt, and when combined with other Subordinate Pledged Revenue legally available in the Subordinate Bond Fund, will permit the District to fully fund the Subordinate Bond Fund for the next Bond Year and pay all of the principal of and interest on the Series 2016B Subordinate Bonds in full; provided that if there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith so that to the extent possible, the actual tax revenues

generated by the mill levy, as adjusted for changes occurring after the date of issuance of the Bonds, are neither diminished nor enhanced as a result of such changes. It is the intent under the Subordinate Indenture that if the amount of the Senior Required Mill Levy and the number of mills necessary to pay unlimited mill levy debt of the District equals or exceeds 42.827 mills in any year, adjusted for changes in law as aforesaid, the Subordinate Required Mill Levy for that year shall be zero.

(b) Notwithstanding anything herein to the contrary, in no event may the Subordinate Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Subordinate Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Subordinate Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

"Supplemental Public Securities Act" means the "Supplemental Public Securities Act," being Title 11, Article 57, Part 2, C.R.S.

"Tax Code" means the Internal Revenue Code of 1986, as amended and in effect as of the date of issuance of the Bonds.

"Trust Estate" means the moneys, securities, revenues, receipts, and funds transferred, pledged, and assigned to the Trustee pursuant to the Granting Clauses of the Senior Indenture or the Subordinate Indenture, as applicable.

"Trustee" means UMB Bank, n.a., in Denver, Colorado, in its capacity as trustee under the Senior Indenture and/or the Subordinate Indenture, as applicable, or any successor Trustee, qualified, and acting as trustee, paying agent, and bond registrar under the provisions of the Senior Indenture or the Subordinate Indenture, as applicable.

"Underwriter" means D.A. Davidson & Co., of Denver, Colorado.

"Unlimited Tax Receipt Date" means, with respect to the Series 2016A Senior Bonds, the first principal or interest payment date occurring after the first mill levy certification by the District occurring after the Conversion Date.

APPENDIX C
MARKET STUDY



GREAT WESTERN PARK
IN THE CITY OF BROOMFIELD

BROOMFIELD COUNTY, COLORADO

Prepared for:

GREAT WESTERN PARK METROPOLITAN DISTRICT

First Quarter 2016

Metrostudy | A Hanley Wood company

Denver Colorado Office

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May 9, 2016

Mr. Greg Bradbury
Great Western Park Metropolitan District
c/o Church Ranch Companies
10050 Wadsworth Boulevard
Westminster, Colorado 80021

RE: Great Western Park Metropolitan District

Dear Mr. Bradbury:

Metrostudy is pleased to present this market analysis and absorption forecast for the Great Western Park Metropolitan District. We have evaluated the northwestern Denver market area as well as the competitive area around the community, and rendered our conclusions in the following report.

This report was conducted by Bridget Berry, Consultant and Rob Bookhout, Market Analyst, with participation from Tom Hayden, Senior Advisor.

Please contact us at your convenience with any comments or questions regarding this report, or any other matter relevant to your real estate market research needs.

Respectfully Submitted,

Metrostudy

metrostudy

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Executive Summary

The purpose of this report is to provide the Great Western Park Metro District with an overview of the Denver Market economy and the Great Western Park Competitive Market Area (“CMA”) in order to provide insights about the subject property, the actively selling Skyestone community in the City & County of Broomfield, in Colorado. Great Western Park’s current and proposed residential programs that include a mix of new for-sale single-family detached traditional and patio products on lot sizes ranging from 50’ wide to 60’ wide are the focus of this study.

Metrostudy analyzed the competitive position of Great Western Park as it relates to other communities in the increasingly competitive northwestern Denver area. We have compiled data on the Denver Market economy, including demographics for Greater Denver and the Great Western Park CMA. We have collected and reviewed data for both new and resale single-family detached housing and we have conducted field research in the competitive market area. Utilizing these data and research, Metrostudy has provided its conclusions about the marketability, pricing, competitive positioning, product mix, and absorption levels that should be achievable within the development of Great Western Park.

With the recent preliminary employment figures by the Colorado Department of Labor and Employment, the state remains one of the strongest economies in the country. The majority of the strong employment news was led by the Denver Market. Initial reports show Denver employers added 37,500 jobs to their payrolls over the twelve months ended with January, posting the 67th consecutive month of growth. The average annual growth rate was 2.4% compared to 4.2% twelve months earlier, as aside from January’s total, growth over the past year has generally continued, but at a declining rate. Unemployment in the Denver Region has fallen to a rate of 3.0%, below the state (3.2%) and well below the national level of 4.9%. Broomfield County, where Great Western Park is located, had one of the lowest rates in the Front Range, at 2.7%. Despite some slower growth in recent trends, the Denver Market still reports a positive net 231,800 jobs over the past five years and continues to extend its best run of job growth since 2000.

Denver’s population continues to grow with current estimates expecting the area to surpass the 3.25 million mark by 2020. Household formations are expected to rise 8.0% over the next five years. Estimates indicate the CMA population will rise at an annual rate of 1.2%, surpassing 475,000 residents and 189,390 households. The CMA is older and has comparable household income compared to the Denver Market overall, with a median age of 37.4 years and median household income of \$66,511. The greatest increases are occurring in population cohorts older than 55 and with household incomes above \$150,000.

Denver’s robust job market has certainly improved consumer confidence levels, which has translated into an increased interest in home purchases. Despite some challenges in a recovering market such as home price increases, potential interest rate hikes, and tight supplies of inventory, housing activity continues trending in a positive direction. At 7,109 detached annual starts through the end of 4Q15, the Denver Market reported a production gain of nearly 14% compared to a year ago, and over a 28% increase compared to two years ago. Annual closings improved by nearly 21% over the last four quarters to 6,421 homes closed (24% since 4Q13). The market added 6% more vacant developed lots over the last four quarters, up but still below the pace of production, bringing months-of-supply down from 21.1 one year ago to 19.7 through 4Q15 (down 12% since a 22.4-month supply in 4Q13).

Metrostudy expects housing starts to continue to rise into 2016, but so too will lot deliveries in existing projects, as well as within several new large communities. The 7,780 detached lot deliveries in the past four quarters are more than a 13% increase over 4Q14 annual deliveries and the most since 2Q07.

Metrostudy believes based on current trends, Denver housing growth in 2016 is likely to see a 12% overall increase in annual starts over last year, and about a 14% gain in home closings (all housing). This translates to over 7,900 single-family detached starts and nearly 7,300 annual closings; as well as over 2,300 attached starts and 2,050 closings. Preliminary forecasts for 2017 suggest about a 10% gain in annual starts and a 12% increase in annual closings. Forecasts for starts would be higher if not for the constrained lot supplies and labor, rapidly rising home prices and likely increases in mortgage rates.

With the push for affordability from both Boulder to the north and Denver to the east, the Great Western Park CMA is expected to continue to evolve as a competitive, high-demand, growing submarket within the Denver Market. The CMA offers high quality and value-driven communities where new housing production surpassed historic levels in 2015. The CMA's VDL supply is well above its ten-year historical average and roughly 80 lots below its historic high which was just one quarter ago in 3Q15. Total annual starts were up over 12% over the last four quarters ended with 4Q15 to 1,455 starts, well above those levels experienced just a few years ago. Annual closings were up significantly, growing by over 41% during the last four quarters to 1,328 homes closed. Total vacant developed lot supplies have risen nearly 9% in the past year to 2,271 lots, and have nearly doubled from levels of just two years ago (1,570 lots). With only 1,633 total annual lot deliveries through the end of 4Q15, the Great Western Park CMA delivered 10% less lots than it delivered a year ago, accounting for 21% of deliveries market-wide compared to 27% at the same point a year earlier.

As a result of increasing new supply despite rising demand, the CMA's market share has increased over the past year, with annual starts accounting for over 21% of market-wide new home starts and over 20% of Denver's annual closings (detached housing) at the end of 4Q15. Historically, this figure has averaged about 20%. Over the next ten years, as long as lot development continues as expected, Metrostudy believes the CMA's capture of market share will move above historical levels with the potential to capture between 4% and 20% of Denver market closings.

Denver Market and Great Western Park CMA Closing Forecasts													
	10-Yr Avg	2014	2015	2016F	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F	2025F
Market	5,268	5,328	6,421	7,285	8,159	8,860	9,620	10,348	10,968	11,517	12,093	12,697	13,154
CMA	800	938	1,328	1,504	1,449	1,209	1,039	935	505	572	550	549	552
CMA %	15%	18%	21%	21%	18%	14%	11%	9%	5%	5%	5%	4%	4%

Note: For additional information, please refer to Exhibits 4 & 5.

Great Western Park has the following positive features that should strength its position in the CMA and overall Market:

- Easy access to both Highway 93 and Highway 36, which provide access to Interstate 70 and Interstate 25, offering short travel times to major attractions and employment centers throughout the northwestern portion of the Denver Market.
- The Broomfield area has been in high demand. A significant number of new homebuyers have been reported to be existing northwest Denver residents looking to upgrade their home within the area.
- Great Western Park offers a variety of readily available amenities including parks, walking trails, and community clubhouse with pool, fitness center and fire pits.
- All areas of Broomfield and Westminster are within a 15-minute drive; Downtown Denver, Boulder, Arvada and Lakewood are within 30 minutes.
- Great Western Park’s geographic location between Boulder and Denver makes it a desirable area for households where members commute to both metro areas.
- While located within a competitive area, outside of the Anthem community, Active Adult developments are limited in the CMA.

Some potential challenges and concerns associated with the project are:

- The bulk of housing activity within the CMA is concentrated between \$400,000 and \$499,999 (49% of annual starts and 51% of VDL) and on single-family lots 50’ to 69’ (55% of annual starts and 53% of VDL), translating to a competitive environment.
- Competition levels will remain high, between Anthem Colorado, as well as successful, amenity-rich, non-age targeted projects in the CMA, such as Leyden Rock and Candelas.
- The Denver Metro area builders remained challenged with labor shortages. While Great Western Park has performed well and the community is recognized for its location and amenities, home construction will need to keep pace with the sales.

Based on these product offerings and trends in the surrounding CMA, Metrostudy believes Great Western Park has the potential to absorb up to 119 homes annually over the next five years, for an average annual absorption of about 84 homes until completion in 2020. This translates to an approximate average of 7.0 homes per month combining all product types. This rate is based upon the projected growth of the Denver Market and upon forecasted levels of home production in the Market, the Great Western Park CMA capture rate of the Market, estimated market entry for the primary competition, and the Subject Property’s capture rate within the CMA.

Subject Property Absorption Projection Summary (Home Closings)													
	Pre-2014	2014	2015	2016F	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F	2025F
Great Western Park - Subject Property	0	30	68	84	107	119	104	7	0	0	0	0	0
Great Western Park Mkt Share CMA%	---	3%	5%	6%	7%	10%	10%	1%	0%	0%	0%	0%	0%

Note: For additional information, please refer to Exhibits 8, 9, & 10.

Metrostudy believes Great Western Park has the potential, as positioned, to capture between 6% and 10% of CMA closings between 2016 and 2019, with that number dropping to 1% in 2020 as the community reaches completion. This estimated CMA capture rate is in-line with historical

capture rates for successfully selling communities such as Boyd Ponds (12%) and Village of Five Parks (15%), as well as activity over the past few years in Candelas (15%) and Midtown (11%). Looking ahead, Metrostudy believes Great Western Park perform well within a high demand CMA.

Additional information utilized in this analysis and our conclusions for the Great Western Park community are included within the context of the report beginning on the next page, as well as the Exhibit Package beginning on page 27.

Introduction

Great Western Park (marketed as “Skyestone”) is an actively-selling community anticipated to include a total of 519 for-sale homes by Taylor Morrison, located in the northwestern portion of the Denver Market, with close proximity to Highway 93 and Highway 36. It offers excellent access to the north and west Denver metro areas, Arvada, Thornton and Westminster and backdoor access into Boulder and Golden. Specifically, the community is located southwest of Simms Street, just south of the intersection of 112th Avenue, in the City & County of Broomfield.

For local conveniences, Great Western Park is located within a few miles from retail, grocery, gas, dining, entertainment, and other basic consumer needs. Great Western Park amenities include a clubhouse with pool and fitness center, neighborhood parks, and walking trail system. Flatirons Mall is 3.0 miles north; grocery stores Safeway is approximately 2.6 miles, King Soopers is roughly 2.0 miles and there are five gas stations within three miles of the site. For recreation, there are three golf courses within two miles of the site. Colorado Hills Open Space and Standley Lake are just 1.0 mile from the site, offering water recreation and sports venues. Coors Field, the Pepsi Center, the Coors Events Center and Folsom Field are all around a 30 minute drive during non-peak hours.

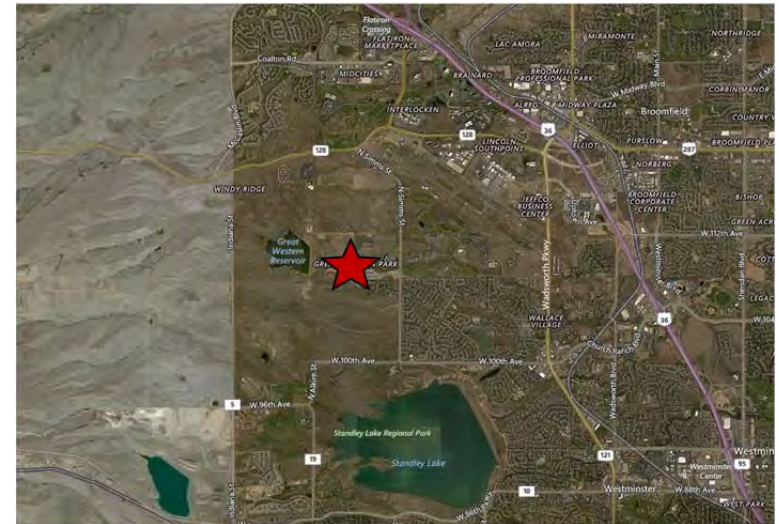
Avista Adventist Hospital is 4.6 miles to the north and Saint Anthony North Campus is located roughly the same 8.5 miles to the northeast. Within the development, residents will have access to parks, pool, fitness center, as well as outdoor entertainment spaces.

Major employment centers are within a reasonable commute, off corridors that include Highway 36 (2.8 miles to the east), Interstate 25 (7.0 miles to the east), and Highway 93 (5.7 miles to the west). There is a RTD Park and ride facility approximately 3.0 miles to the east and Denver International Airport is located 36.7 miles via Interstate 470 and Pena Boulevard. With these transit routes, nearly all locations within Broomfield, Westminster and Thornton are within about a 15 to 20 minute drive. Boulder, Arvada, Lakewood, and Downtown Denver are within 30 to 40 minutes.

As jobs are added within the Denver Market and around the Great Western Park CMA over the next five to ten years, rooftops will follow (more than 12,150 future single-family already identified). Given the high availability of developable land for future housing, continued push for “affordable” housing with demand from Boulder and Denver located employees, and established buyer/resident acceptance of the area, it is likely that the surrounding northwestern Denver Market, and the north Broomfield County area, will continue to evolve as a regional center.

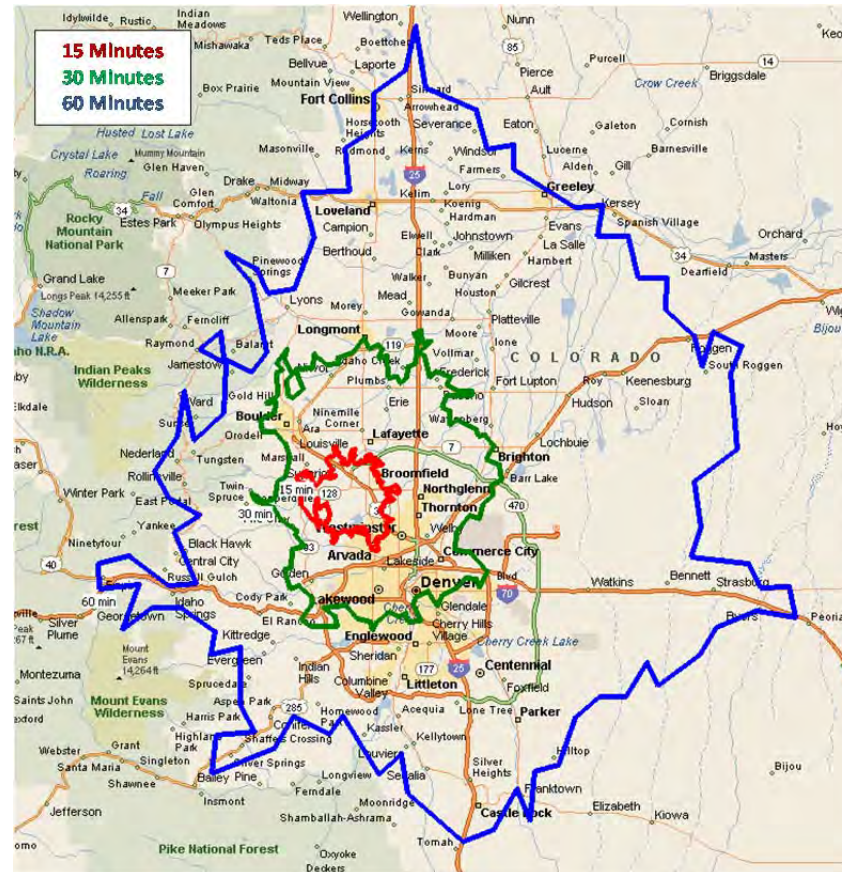
The community, Skyestone, has been actively selling since 2013 with one active homebuilder, Taylor Morrison, building two collections of patio homes (Landmark and Pinnacle). The community closed 30 homes in 2014, and had 68 home closings through the end of December 2015,

Exhibit 1 : *Location Site of Subject Property*



according to the Metrostudy quarterly lot-by-lot survey. Figures provided by the Client and homebuilder(s) within the community may sometimes vary slightly based on timing of the lot survey and methodologies used in defining homes closed. Year-to-date, based on Metrostudy's Weekly Traffic and Sales Report, Skystone reported 272 traffic groups and roughly 30 sales contracts were written in the community through April 24, 2016.

Exhibit 2 : Site Drive-time Analysis Map



At the end of the narrative of the report, an Exhibit Package has been included (page 27). Here additional exhibits and information utilized to analyze the market and determine conclusions are provided.

Methodology

The Denver Market and Great Western Park competitive market area were analyzed by evaluating historical trends in housing supply, demographics, employment, and household formation to determine economic expansion trends and associated levels of housing demand. Further, to supplement the data indicating increasing demand from surrounding areas into the broader Denver Market area, we reviewed nearby major employment centers and known workforce commuting patterns.

The Metrostudy housing survey monitors the supply of detached and attached homes on a quarterly basis. Our survey tracks all condominium, townhome, duplex and single-family construction activity in the 11-county Colorado Front Range. The survey allows us to accurately track the size of the total market, as well as supply and demand within the sub-markets. Further, it helps us establish the depth of the market and the scope of the competition. In this study, Metrostudy supplemented the quarterly data with extensive fieldwork specifically needed to analyze the Great Western Park competitive market area within the Denver Market.

Definitions

- **Annual Starts:** The number of homes started during the last four quarters. A “start” occurs when a slab or foundation is initiated.
- **Annual Closings:** The number of homes closed during the last four quarters. A “closing” occurs when a home is moved into and occupied. Metrostudy tracks move-ins, as they are a better indicator of demand than deed deliveries.
- **Square Footage:** All measures of a home size are in terms of air-conditioned space.
- **Models:** Must be fully finished, furnished and decorated.
- **Finished Vacant:** Construction is complete, the site is clean, but there is no evidence of occupancy.
- **Finished Vacant Months of Supply:** F/V months of supply is calculated by dividing the number of F/V homes by the current annual closings pace; and then multiplying by twelve to yield months.
- **Vacant Developed Lots:** Also referred to as “VDL” and “Finished Lots”; a lot on a recorded plat with streets and utilities in place, ready for construction of a new home.
- **Vacant Developed Lots Months of Supply:** VDL months-of-supply is calculated by dividing the number of VDL by the current annual starts pace; and then multiplying by twelve to yield months.
- **Future Lots:** Lots that are platted, but not yet developed.

Exhibit 3 : *Denver Market Map*

- **Denver Market:** Defined as the Denver MSA, or Metropolitan Statistical Area, including all of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson counties.

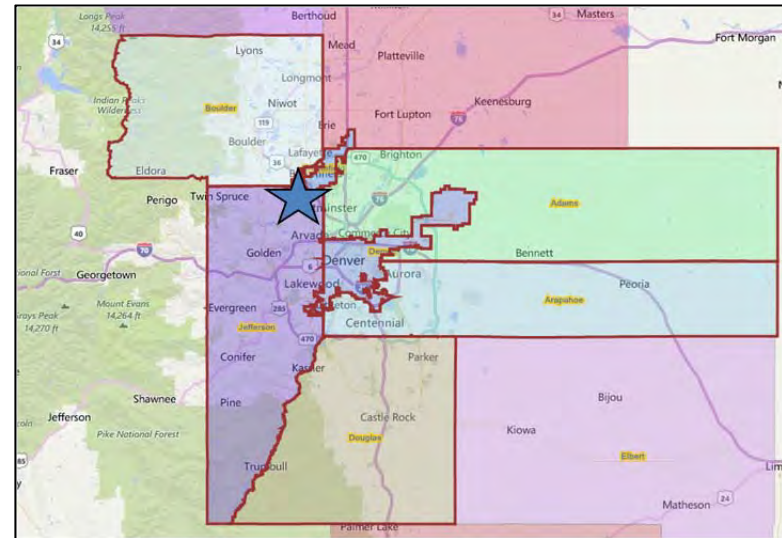
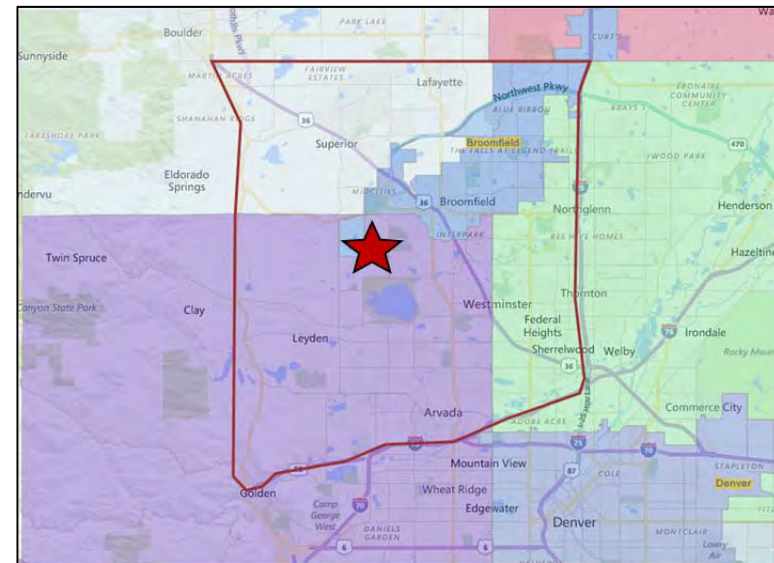


Exhibit 4 : *Great Western Park CMA Map*

- **Great Western Park CMA:** The Competitive Market Area (“CMA”) has been defined to encompass a territory which includes a representative portion of the competitive new housing market in the northwest Denver market. The polygon is focused on new housing development in Broomfield and the surrounding areas. The north border follows West Baseline Road running from Interstate 25 to the east and Highway 93 to the west; the south border follows Interstate 76 to Interstate 70 to Highway 58 in Golden; the west boundary generally falls west of Highway 93 running from Golden to Boulder; the east boundary follows Interstate 25. The CMA boundary takes into account the location of projects comparable to the subject property site, as well as other considerations such as drive time, infrastructure, and socioeconomic indicators.



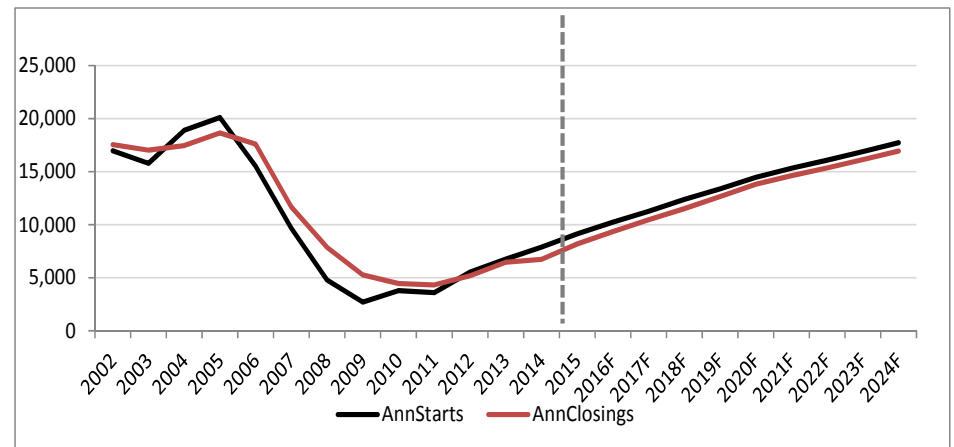
Housing Market Statistics and Analysis

At the peak of the market, in 2006, homebuilders started nearly 20,000 total homes in the Denver Market. The low point for housing starts came in 2009 at the end of the Great Recession. Builders started only 2,701 homes that year, a nearly 87% decline from the peak. While the industry received a temporary boost the following year from the First-Time Homebuyer Tax Credit, the local economy had yet to show signs of sustainable growth to help boost record low consumer confidence. Despite a struggling economy and very low demand for new homes, 2011 was a milestone for Denver homebuilders as they started nearly 3,600 homes, just slightly below 2010 levels (3,799 starts) when the home building industry had been supported by government stimulus in the form of the homebuyer tax credit. Rather, for the first time since the recession, the starts were due to 'organic' demand for homes, i.e. job growth and positive in-migration for the region. Since then, home starts have continued to trend upwards, posting four consecutive years of growth in annual starts and more than doubling production over that time period. Through 4Q15, 9,060 total homes were started year-to-date, a 16% increase from one year prior.

There is strong evidence that the Denver Market's economy and housing market are continuing to improve:

- Employers added 37,500 jobs to their payrolls in the 12 months ended with January, and Denver continues to diversify its economic base.
- Broomfield County had a 2.7% unemployment rate which was one of the lowest rates in the region and is below the Denver Region (3.0%) and Colorado (3.2%), and well below the U.S. rate (4.9%).
- In-migration was last known to be positive with net change of over 12,800 residents added in 2013-14.
- Denver's population continues to grow. It is expected to reach over 3,256,250 residents by 2020.
- Multi-family rental vacancies were 6.8%, up from 4.7% in 2014 and 5.0% last quarter; many new projects have recently been completed aiding this rate increase.
- Resale supplies remain low. Total resale activity increased 2.7% year-to-date through December compared to one year prior; while the number of listings increased 0.7% over the same period, they were down -22.9% month-over-month. Listings, at the end of December, registered 1.1 months-of-supply for single family detached and 0.6 months for attached product.
- At \$347,000 through December 2015, the Denver median resale price for single family detached product was up 8.5% over 2014 prices, attached product saw median prices grow by 19.9% over the past year to \$223,000.
- Homebuilders have closed 1,422 more homes (attached and SFD) over the past 12 months than during the previous 12 months.

Exhibit 5 : *Projected Denver Market Total Starts & Closings Forecast*



While the market appears to be moving in the right direction on a number of fronts, there remain some challenges:

- Potential mortgage rate increases, even if only marginally higher, may soften buyer traffic and contract activity.
- Shortages of trade labor are extending production completion timeframes.

- Rapid price increases over the past two years may suppress purchases and move unsure potential buyers back onto the sidelines.
- Limited finished lot supplies with a slow replenishment of new lots underway.
- Entry-level buyers are feeling the squeeze of rising home prices with relatively flat wage appreciation.
- Rising cost for homebuilders associated with land, materials, fees and vendors.

Despite these headwinds, Metrostudy expects the Denver Market to increase home starts through the end of 2016, and beyond. With the combination of tight inventories for resale and new home markets, price appreciation, positive in-migration, employment growth and declining unemployment, Denver is poised to follow up last year's increase of 16% annual new home starts with an expected increase of about 12% in 2016, as activity continues to level off somewhat. **At more than 10,000 annual starts (all housing) in 2016, this would move the Denver Market back to half of its previous peak.** Forecasts for starts would be even higher if not for the constrained lot supply, rapidly rising land and home prices, material cost escalation, serious labor shortages and likely increases in mortgage rates.

Looking ahead:

- Metrostudy forecasts a 12% increase in home starts in 2016 over 2015, estimating approximately 7,900 single-family detached (78%) and about 2,300 multi-family attached (22%) home starts.
- Metrostudy projects a 14% increase in home closings in 2016 over 2015, estimating approximately 7,300 single-family detached and 2,100 multi-family attached home closings.
- As low unemployment and steady job growth persist, in-migration into the state and market are expected to remain strong in 2016, which will continue to drive household formations.
- Lot deliveries will continue to outpace absorption levels in 2016, but lot supply will remain low at virtually all price points and within most sub-markets for production lots.
- Rising prices are suppressing purchasing power. Buyers are now recalibrating choices such as location, product type, and/or delaying a purchase altogether.
- While the for-rent apartment market may start to show signs of overbuilding, the continued impact of construction defect legislation will keep for-sale condominium development at historic lows.
- Demand for attached housing options will expand as the bulk of single-family homes continue to move upwards into the \$300,000s and \$400,000s.
- The new home market may be approaching a pricing ceiling as the delta between new home prices and resales continues to widen, and affordability barriers, particularly for the first-time buyer continue to rise.

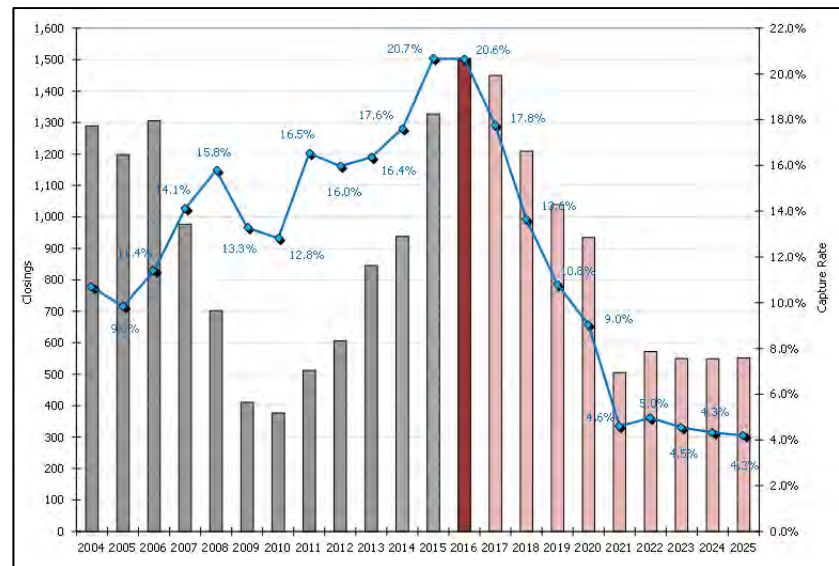
Competitive Market Analysis

In reviewing the most competitive master planned communities and subdivisions within the Great Western Park CMA, Metrostudy coupled data obtained from its quarterly survey database with field research, wherein the various developments and site locations were inspected, and sales agents and developers were interviewed. Factor in a review of resale activity and selling price points, tightening lot supplies, available land, positive economic factors that are positioned to drive this CMA within the Denver Market, and the Great Western Park CMA appears poised to remain a leading development sub-area within the market over the next decade.

In the early part of the past decade, the Great Western Park CMA grew to be a significant sub-area within the market, increasing its market share within the Denver Market.

- In 2003, the CMA reported 1,246 annual starts and 1,301 annual closings (detached housing). This accounted for roughly 11% of starts and 11% of closings within the Denver Market.
- As the housing market continued its expansion over the next two years, the CMA rose to an average of nearly 1,307 annual starts and 1,272 annual closings between 2004 and 2005.
- At its historical peak (not including the most recent quarter), in 3Q04, the CMA started 1,449 homes over the previous four quarters, and captured over 11% of market-wide starts. Annual closings peaked in 4Q02, at 1,356 homes, with an 11% share of Denver Market activity.
- From there, the overall market began its decline. While both the CMA and Market experienced sharp declines in starts and closings through 2009, the CMA's market share held relatively steady. At its trough, the CMA had 243 annual starts, but still captured 13% of market-wide starts (3Q09), while closings bottomed out in 3Q10 at 373 homes and 13% of Denver closings.
- CMA lot deliveries have come in at some of the highest levels market-wide in recent years, with annual lot deliveries setting a historic high in 1Q15 at 1,892 lots. For ten consecutive quarters annual lot deliveries have exceeded lot absorption (starts). As a result of the high volume of deliveries, starts paces rose to a historical high through the end of 4Q15, at a time when other areas around Denver were slower to begin

Exhibit 6 : Great Western Park CMA 10-Yr Forecast & Market Capture



increasing production. Thus, CMA market share has risen drastically, nearly than doubling in four years. Annual home starts in the CMA accounted for 20.5% of market-wide starts as of the end of 4Q15. The CMA's annual closings also rose to a historical high during the fourth quarter, growing to 20.7% of market-wide closings during the same period. With annual lot deliveries averaging 23% of market-wide deliveries over the last two years, VDL rose sharply (up 45% in two years), though demand has moved many of these lots through development, VDL was still at a historic high over the past year at 2,200 lots. As long as the CMA can continue to deliver lots to the market, in active communities including Candelas, Midtown, and Leyden Rock, as well as in future communities such as Superior Town Center, it is evident that the Great Western Park CMA remains a key submarket for healthy growth to continue in the Denver Market.

On the previous page (to the above right) is an illustration of the CMA's projected maturation process. Actual annual closings within the CMA are noted from 2005 through 2015 in the grey columns. The solid blue-line represents the CMA's capture of all annual closings within the Denver Market, peaking at 12.4% in 2015. A housing forecast for 2016 through 2025 is provided, identified by the red columns. More discussion of these figures is offered in the following pages concentrating on the CMA's Housing and Lot Supply Build-out model (Exhibit 9), but here we will briefly discuss what is included within this graph. The forecasted annual closings totals are derived from the Denver Market housing forecasts (as represented in Exhibit 5). **Metrostudy believes that as the Denver Market returns to a healthy level of new housing activity, the Great Western Park CMA will experience a continued high-level of market capture in that activity.** This result is given the economic trends outlined within this analysis and existing supply constraints from the northern and eastern portions within and outside of the CMA boundary in the Denver market that will push demand and new product into less established areas in the western areas. This is also based on the CMA's ability to deliver new lots for development.

Through both the down cycle and the early recovery, the Great Western Park CMA remained a competitive area in the Denver Market. More recently, over the last three plus years the CMA has shown tremendous growth, increasing its market share. It also has a long history of supporting competition and while Indian Peaks and Whisper Creek continue to wind down, new communities including Leyden Rock, Candelas, Midtown, and Anthem Colorado are poised to compete over what Metrostudy expects to be an increasing demand from potential homebuyers in the area. **The history of the CMA has demonstrated that there is room for multiple communities at various price point and amenity tiers to be actively selling at a high volume.**

Exhibit 7 : Selected CMA Communities Historical Closings Trends & Peak

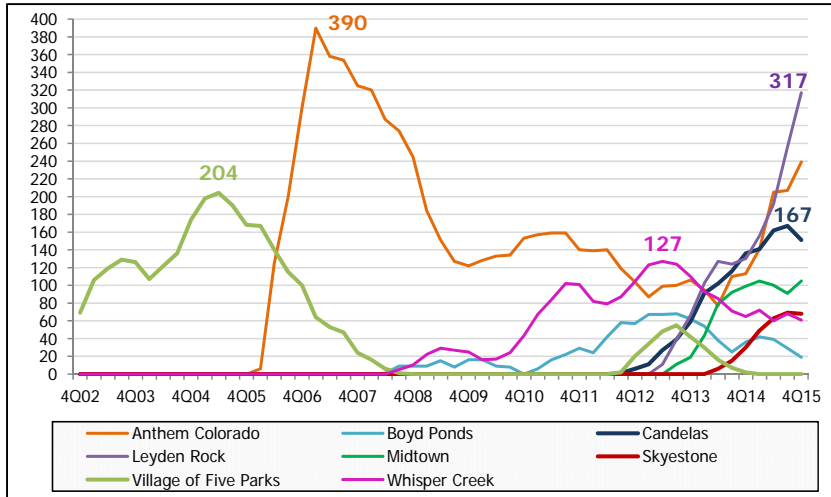
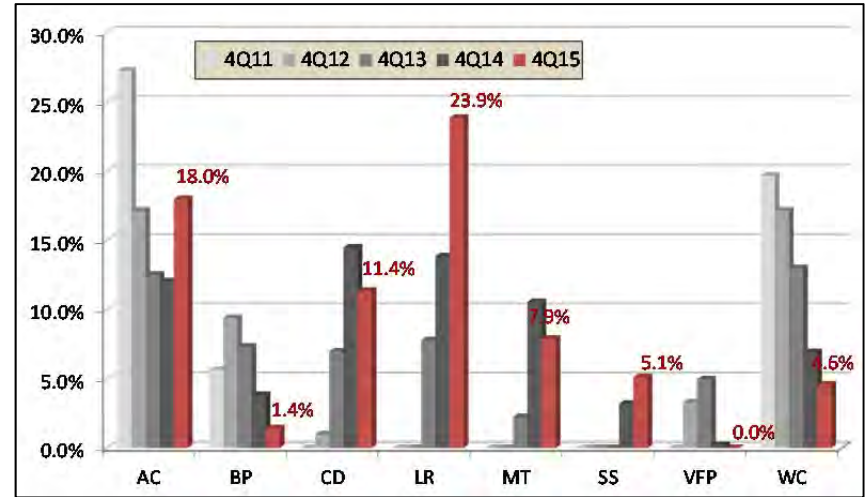


Exhibit 8 : Selected Communities Historical Closings Capture of CMA



Below these leading master planned communities, there will be a handful of communities that compete for the remaining CMA share of home closings. The most obvious question and salient point in this market study is how much room will there be for the Skystone community to assert its position near the top of this group of new home communities and gain market share in the CMA. In this next broad market growth cycle which we believe Denver is in the midst of, CMA shares will be smaller for each community than they were during the boom years last decade. Metrostudy believes the Great Western Park CMA has the capacity to grow. Led by communities such as Leyden Rock and Candelas there will be more lots available in the short term, than any time in recent history. With increasing population, available land, lower price points than those found within other areas of Broomfield County, and several direct lines of access to regional employment centers throughout the Denver Market, the CMA is a desirable location for growth. **This will fuel growth and increased market share between the CMA and Denver Market, but also increase the competitiveness of the CMA.**

Competitive Lot Breakdown

While it is imperative to review conditions within the Great Western Park competitive market by price range, in a historical context of volume, it is equally important to evaluate the lot supply, based on Great Western Park's most relevant competition. Many of the future communities within the CMA have not yet determined prices or market entry dates, and therefore do not appear within the statistics previously reviewed.

Given the 2,270 vacant developed lots in the CMA (detached), the over 5,600 future lots in actively-building communities, and the length of time it typically requires for many future projects to move through the development process over the short term, it is unlikely the CMA will see too many additional new large-scale communities enter the market in the next couple of years. Those communities that will likely enter the market, such as now-opened Candelas, will be located within the range of employees' willingness to commute and increase the overall competitiveness of

the CMA, especially those communities located the furthest east, or with direct access to commuter corridors. Still, without these future communities, the result is a likely gap between potential and actual market share for the CMA. For example (on the next page), if one or more of the future projects do not start when Metrostudy expects them to, the CMA will lose market share unless other active projects are able to deliver additional lots and support demand. In other words, the numerous risks developers' face securing financing and entitlements make it possible that Great Western Park could capture an even greater market share with these new product lines entering the market this year.

We have projected a build-out of active CMA communities' remaining lots, as well as estimated future projects' lots. This build-out model helps to identify when demand for lots and new home options in this growing corridor will no longer be met within the CMA – the most opportune moment for market entry or increased capture. This is a comprehensive list of all lots in this CMA, featuring selected communities while grouping together much smaller, less significant communities. Again, projected absorptions for 2016 through 2025 are based on the current number of unoccupied homes within each community per the Metrostudy lot-by-lot survey.

In our model, we have listed the competitive communities with their current housing trends, build-out percentage (highlighted in blue), historical absorption and projected future absorption based on projected growth in the CMA, product segmentation, location strength analysis, and their overall anticipated position within the CMA housing market segment.

For perspective, we have included a range of actively selling community types from those master plans directly competing with large amenity programs to smaller subdivisions and large lot, limited custom communities throughout the CMA. Several nearly completed communities are also included. Six future planned communities are represented within the model. All reasonable efforts have been made to determine the conceptual plans of these future communities, but given where we are in the housing cycle, many of these communities, even those with well-defined plans for the next year or so, face potential delays of one kind or another, changes in product segmentation, and a wide range of variables that could affect their market entry timeline. It is important to remember these are mostly conceptual and undefined future communities, while seeking a more macro view of the future lot supply within the Great Western Park CMA.

In red at the exhibit's bottom, we have listed the CMA communities' combined annual closings, as well as their combined historical and projected closing totals, representing the CMA totals based on these community absorptions, and further tracking the forecasted CMA capture rate of closings within the overall Denver Market. This has been done in coordination with Metrostudy's Denver housing forecast, also represented in red. Some of these capture rates fall short of the possible 4.0% to 20.0% capture rate gains under a more aggressive forecast that would move the CMA towards Metrostudy's long-term growth projections of market share levels of the Denver Market. This will be discussed within the Unmet Demand Potential Model, see Exhibit 10. Also in red, the Denver Market actual and projected annual closings are provided.

Exhibit 9 : CMA Projected Build-Out Model

		Detached New Housing					Actual Closings										Projected Closings											
CMA Selected MPCs		Ann St	Ann Cl	Hm Inv	VDL Inv	Future ¹	Built-Out %	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Beyond
Great Western Park (Skyestone)		67	68	50	101	330	16.9%	0	0	0	0	0	0	0	0	30	68	84	107	119	104	7	0	0	0	0	0	
		5%	5%	5%	4%	6%	---	0%	0%	0%	0%	0%	0%	0%	0%	3%	5%	6%	7%	10%	10%	1%	0%	0%	0%	0%	0%	
Active Development	Anthem Colorado	179	239	131	255	945	58.1%	300	325	245	122	153	140	104	106	113	239	250	250	250	275	275	32					
	Bradburn	17	0	17	38	0	83.4%	34	32	39	15	11	3	14	35	11	0	30	25									
	Candelas	164	151	139	551	403	24.4%	0	0	0	0	0	0	6	59	136	151	180	200	230	230	230	23					
	Huntington Trails	4	10	3	15	0	91.5%	0	16	24	25	18	33	34	24	9	10	12	6									
	Indian Peaks/South	65	56	34	46	25	65.1%	0	0	3	7	3	10	19	44	54	56	60	45									
	Legacy Ridge	23	2	22	67	0	83.8%	35	8	7	4	1	1	1	3	0	2	10	25	30	24							
	Leyden Ranch	40	47	41	53	32	30.0%	0	0	0	0	0	0	0	0	7	47	60	50	16								
	Leyden Rock	325	317	204	442	244	35.6%	0	0	0	0	0	0	0	66	130	317	346	293	201	86							
	McKay Shores	46	55	33	71	0	55.2%	0	0	0	0	0	0	8	21	44	55	60	44									
	Midtown	120	93	97	124	122	38.1%	0	0	0	0	0	0	0	19	99	93	110	130	103								
	Table Rock Ridge	90	73	39	70	0	45.2%	0	0	0	0	0	0	0	0	17	73	70	39									
	Whisper Creek	11	11	9	3	0	97.4%	0	0	10	25	43	101	104	110	50	11	12										
	Other (Combined) ³	303	206	231	435	248	91.6%	937	596	374	213	148	225	316	359	238	206	220	200	175	150	133						
Active Summary	1,454	1,328	1,050	2,271	2,349	72.3%	1,306	977	702	411	377	513	606	846	938	1,328	1,504	1,414	1,124	869	645	55	0	0	0	0	0	
Future Development	GEOS Neighborhood	0	0	0	0	309	0.0%	0	0	0	0	0	0	0	0	0	0		15	25	40	50	60	60	50	9		
	Pillar of Fire	0	0	0	0	750	0.0%	0	0	0	0	0	0	0	0	0	0					50	125	150	200	225		
	Superior Town Center	0	0	0	0	900	0.0%	0	0	0	0	0	0	0	0	0	0			20	50	100	130	150	150	150		
	Tanglewood Creek	0	0	0	0	210	0.0%	0	0	0	0	0	0	0	210	0	0					20	40	40	40	40		
	Timberline Farms	0	0	0	0	322	0.0%	0	0	0	0	0	0	0	0	0	0					30	50	80	80	82		
	Trails at Coal Creek	0	0	0	0	317	0.0%	0	0	0	0	0	0	0	0	0	0		20	40	60	70	70	57				
	Other (Combined) ³	0	0	0	0	445	0.0%	0	0	0	0	0	0	0	0	0	0				20	50	70	90	80	70	65	
Future Summary	0	0	0	0	3,253	0.0%	0	0	0	0	0	0	0	0	0	0	0	35	85	170	290	450	572	550	549	552	0	
CMA Totals:							1,306	977	702	411	377	513	606	846	938	1,328	1,504	1,414	1,209	1,039	935	505	572	550	549	552	NA	
Denver Market:							11,454	6,923	4,447	3,093	2,941	3,103	3,795	5,171	5,328	6,421	7,285	8,159	8,860	9,620	10,348	10,968	11,517	12,093	12,697	13,154	NA	
CMA Capture of Market:							11.4%	14.1%	15.8%	13.3%	12.8%	16.5%	16.0%	16.4%	17.6%	20.7%	20.6%	17.8%	13.6%	10.8%	9.0%	4.6%	5.0%	4.5%	4.3%	4.2%	NA	

Notes:

- ¹ Future lot counts are based on currently known breakouts of lots already identified within the Competitive Market Area. This figure may increase as additional parcels are realized in some communities.
- ² Information including total lots, closing pace and market entry time frames are estimated for all future communities based on information collected from developers and planners. Some of these future communities may have additional lot counts and sizes as several have not yet been platted. There may be additional future communities currently unknown at this time that enter the market during this time period: some of the communities listed may ultimately not enter the market. Actual lot counts and product type may prove different than information collected at this time.
- ³ Other (Combined) represent the combined total of remaining CMA subdivisions identified at this time, both within Active and Future segments.

Obviously, this model tracks a moving target and should be amended over time as existing and future competition evolves. The most notable observation from this model is that the odds of a drop-off in the number of potential CMA closings, and the failure to match already established CMA capture rates of the Denver Market is dramatically high should either new lot deliveries within active communities or new communities not enter the market in the next three years, with an apparent further decline if new lots are not delivered as early as 2016. Additionally:

- There were 1.1 months of finished lot supply in the Great Western Park CMA through 4Q15. This compares with a 1.6-month supply in 4Q14, and a 3Q15 market-wide level of 1.4 months. Down 10% from a year ago, annual lot deliveries have still exceeded the annual starts pace for the past ten quarters.
- The Great Western Park CMA has a ten-year historical Denver Market closings capture rate of 15.5%, and a five-year average of 17.4% (detached housing). Last year, with ongoing construction in both Candelas and Leyden Rock, the CMA rose to a historic high of 20.7%. This is one of the largest shares among submarkets in Denver, and the CMA is in the path of growth from both the Boulder and northern Denver metros. Given the high demand from the Boulder and Denver metro areas, price points compared to areas Boulder and Denver, and location within the region, the CMA should continue to perform well as both the Denver and Boulder Market grow. Over the next several years if future lots are delivered to the CMA, the CMA could experience capture rates up to 20.6%.

- Direct competition within the Great Western Park CMA is limited, with active adult competition mostly hailing from the active community Anthem. With the exception of Candelas and Leyden Rock, other communities in the CMA are smaller in size and offer fewer amenities. The future high-density community, Superior Town Center, will increase the level of competition in the CMA when it comes online with 900 single-family detached lots in 2018, though it will likely target a different buyer profile.

This model shows two new projects with home closings beginning in 2017 (GEOS Neighborhood and Trails at Coal Creek). The GEOS Neighborhood is a small community which will focus on a niche buyer market, offering solar powered homes and a net-zero development. Direct competition from this project will be limited. Only one active community, Whisper Creek is expected to build-out in 2016. Bradburn, Huntington Trails, Indian Peaks South, McKay Shores and Table Rock Ridge are all winding down and expected to close out in 2017. Depending on this transition between communities to supply lots, growth could be restricted and the CMA under-supplied in areas, despite existing demand. This is a real possibility given the challenges many developers face in trying to secure lending, and with limited resources, trying to move land through the development process efficiently.

Further, if some of these new or re-emerging communities fail to gain traction, and nothing else of significance comes to market by 2017-2018, the build-out model shows the potential of how well Great Western Park could perform. Even with some communities likely to come to market, this CMA has long supported multiple large and mid-size communities in head-to-head competition.

Demand Analysis

While a specific demand analysis was not within the scope of this study, we have provided the basis for some discussion of demand within the Great Western Park CMA with our forecast of annual closings in the Denver Market (Exhibit 5), the Great Western Park CMA (Exhibit 6), and the build-out model (Exhibit 9).

The assessment of housing demand and market capture is an iterative process with numerous ever-changing variables to consider. We have approached demand using our projected new home closings forecast within the Denver Market. We accounted for demand based on a review of all active and future lots within the CMA, and all the variables previously discussed to generate a supply-based CMA capture rate (as noted within the build-out model). From there, we reviewed the ratio of currently active to future planned lots, the transition of communities to build-out, and plausible timelines for new communities. We then reviewed the trends of positive employment and the demographic outlook in the area, in addition to housing supply availability, and projected a CMA capture rate that is expected to rise over the next year to 20%, before settling back to historical norms between 10% and 12%. We also included a more optimistic possibility of 13%. Finally, we subtract out the projected build-out model within the CMA's total closings pace and the forecasted Subject Property's absorption to quantify potential "unmet demand".

The resulting model is featured below:

Exhibit 10 : *Demand Analysis Model*

	Great Western Park CMA														
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Actual					Forecast									
Total Denver Mkt Closings Projections ¹	3,103	3,795	5,171	5,328	6,421	7,285	8,159	8,860	9,620	10,348	10,968	11,517	12,093	12,697	13,154
Total CMA Capture ²	513	606	846	938	1,328	1,504	1,449	1,209	1,039	935	505	572	550	549	552
	16.5%	16.0%	16.4%	17.6%	20.7%	20.6%	17.8%	13.6%	10.8%	9.0%	4.6%	5.0%	4.5%	4.3%	4.2%
Active Community Capture ³	513	606	846	938	1,328	1,504	1,414	1,124	869	645	55	0	0	0	0
	100%	100%	100%	100%	100%	100%	98%	93%	84%	69%	11%	0%	0%	0%	0%
Future Community Capture ⁴	0	0	0	0	0	0	35	85	170	290	450	572	550	549	552
	0%	0%	0%	0%	0%	0%	2%	7%	16%	31%	89%	100%	100%	100%	100%
Great Western Park	0	0	0	30	68	84	107	119	104	7	0	0	0	0	0
	0%	0%	0%	3%	5%	6%	7%	10%	10%	1%	0%	0%	0%	0%	0%
Potential Unmet Demand ⁶															
CMA @ 10% Capture	NA	NA	NA	NA	NA	-775	-633	-323	-77	100	592	580	659	721	763
CMA @ 13% Capture	NA	NA	NA	NA	NA	-557	-388	-57	212	410	921	925	1,022	1,102	1,158

Notes:

¹ Annual closings for 2011 to 2015 are based on Metrostudy 4Q15 data for the Great Western Park CMA. Future annual closings between 2016 through 2025 are forecasted by Metrostudy. This level of sales can only be achieved if the housing market fundamentals continue to improve and homebuilders offer appropriately priced product in locations with price ranges in demand by the homebuying public.

² Includes all annual closings within the Great Western Park CMA per Metrostudy. Market share percentages between 2011 and 2015 are actual capture rates, at an average of 17.4%. Future closings within this segment were forecasted based on estimated capture rates that follow established start production and closing trends which are consistent with those listed in previous exhibits.

³ The combined total of all currently active selling communities' related closings within the CMA. 2011 through 2015 figures are actual capture counts, therefore equal 100%. Future closings with this segment were forecasting based on historical and anticipated absorption of these same communities within the CMA up until their completion.

⁴ The combined total of all currently future planned communities and their closings within the CMA. Years 2011 through 2015 will not have any activity since these communities are yet to enter the market. Future closings within this segment were forecasted based on estimated market entry for each community and anticipated absorption given what is currently known about each potential community. As with any future plans, all estimates are subject to change. Given today's current housing development environment, it is very possible that some of these communities may never be fully realized, may enter the market at another time than projected, and/or that additional communities currently unknown may enter the market over the next ten years.

⁵ Based on the absorption analysis for the subject property, Great Western Park, as shown within the build-out model. Figures through 2015 reflect older planning areas within the community. Closings in 2016 are based on the future lots within the subject property studied in this analysis.

⁶ Metrostudy believes the expected rise in demand for new housing in the Denver Market towards a healthy equilibrium of start production and home closings, the continued increases in expected job growth within the CMA, and the lack of supply in some of the areas to the west and south, will fuel continued advances in the CMA's overall market capture rate of all housing within the Denver Market. Metrostudy projects the CMA has the potential to experience growth up to an increased market capture rate between 4% and 20% over the next ten years. Based on those rates, these figures represent the competitive market area's potentially unmet demand based on total closings of all known product in the area within the build-out model, including Great Western Park's projected absorption. These units of unmet demand could possibly be captured by Great Western Park, other homebuilders in other active CMA communities, as well as additional future planned communities not yet announced.

This demand analysis is consistent with historical trending and current projected upward growth within the Great Western Park CMA. While we believe that these figures represent a realistic view of the market based on our experience, these types of demand models are best served as points of discussion. Should population and household growth in the CMA exceed forecasted growth (with an unexpected arrival of major employment for example), or should migration patterns and a quicker housing recovery prove a catalyst for even greater overall growth, these figures may prove conservative. By contrast, should growth fall behind forecasted estimates, or if there is a delay in the arrival of, or layoff in, major employment, or if the national economy's recovery slows, these figures may prove exaggerated. Several factors not fully concluded within this demand analysis are the anticipated delays and market timing for future communities; like Superior Town Center; established sales and

delivery paces at Candelas and Leyden Rock; and the effect any sustained increase in market capture by the resale market. These unmet demand units, specifically as multiple communities reach completion between now and 2017, will shift demand to new and remaining CMA communities. This could include potential unknown communities not included in this model.

Conclusions

Great Western Park should further support CMA growth with the current and future lines of both patio and high-density single-family product in a high quality, amenity-filled, value-driven, age-restricted community, within a market area where demand continues to grow. Great Western Park's product mix currently satisfies, and will continue to meet the demands of the active adult buyers in the CMA, offering both high quality one-story homes and a modern high-density living product. Active Adult master planned communities like Skystone have been somewhat limited within the CMA, but when available have proven successful. While competitor Anthem has held an advantage in volume, there are few other age targeted communities in the CMA and broader Denver Market that offer diversity in product, in concert with a development plan featuring attractive monimentation, social programs and recreational amenities, access to transportation corridors, a sense of place, and high walkability found within Great Western Park, all of which should continue to further distinguish the community and carve out its own volume beyond other age-targeted development.

Metrostudy believes the Great Western Park will continue to build a strong presence in the CMA and perform well through completion.

Absorption

Based on this review of the competitive market area, a projected build-out and demand analysis, product mix and other information provided by the Client regarding the subject property, Metrostudy has provided an absorption schedule forecast of the lots within Great Western Park Metro District (set forth in Exhibit 11 on the next page), which we believe is reasonable and supported within this report.

Exhibit 11 : *Absorption Summary (based on the build-out model)*

Product Type	Average Close Price ¹	Unit Mix ²		2013				2014				2015				2016				2017				2018				2019				2020				2021				2022				2023				2024				2025			
		Lots	%	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4								
Product 1: SFD Cluster Patio Homes (50'x70')	\$407,071	85	16.4%																																																				
Product 2: SFD Patio Homes (50'x100') - Landmark Collection	\$455,686	294	56.6%																																																				
Product 3: SFD Patio Homes (60'x100') - Pinnacle Collection	\$527,995	140	27.0%																																																				
Total		519	100.0%																																																				
Annual Closings				0	30	68	84	107	119	104	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0												

Notes:

¹ Average Close Price was calculated as the average among three proposed floor plans selling as base prices with a lot premium average and option/upgrade package estimate based on all currently available information regarding the Subject Property as provided by the Client, and an analysis within the competitive market.

² Unit Mix is based on the most recent Metrostudy lot-by-lot survey of Skystone activity, in coordination with future planning by onsite developer/homebuilder.

Based on these product offerings and trends in the surrounding CMA, Metrostudy believes Great Western Park has the potential to absorb up to 119 homes annually over the next five years, for an average annual absorption of about 84 homes until

completion in 2020. This rate is based upon the projected growth of the Denver Market and upon forecasted levels of home production in the Market, the Great Western Park CMA capture rate of the Market, estimated market entry for the primary competition, and the Subject Property's capture rate within the CMA.

The CMA has been estimated to capture between 4.2% and 20.6% of the Denver Market's new housing activity. This is up from the ten-year historical rate (at 15.5%) and the five-year historical rate of 17.4%, with its historical peak being reached in 2015 at 20.7%. Metrostudy believes Great Western Park has the potential, as positioned, to capture between 6% and 10% of CMA closings between 2016 and 2019, before beginning to wind down in 2020. This estimated capture rate is in-line with historical captures rates for successfully selling similar communities, such as Boyd Ponds (11%), Candelas (15%) and Village of Five Parks (15%). Skyestone reached a capture rate of 5% of CMA closings in 2015 with only two of three product lines actively selling. **Metrostudy believes Great Western Park will perform well within this high-demand CMA.**

Price Positioning in the Competitive Market

Metrostudy has evaluated the CMA in terms of price positioning, absorption levels, and market share. The recommendations and conclusions of Metrostudy with respect to estimated pricing for the Great Western Park Metro District areas, which are based on present competition and market conditions, are set forth in Exhibit 13. We have utilized plan information from the field and provided by the Client, and while a thorough floor plan analysis was beyond the scope of this study, a general model of product segmentation defined by lot size was used in its place, to provide a general discussion point of product segmentation and positioning. Pricing for any future releases may need adjustment according to market swings between now and the start of product line pre-sales, or at the time of any review for existing pricing (a real possibility given current rates of price appreciation and potential shortage of lots throughout Greater Denver). **Over the past year, competitive communities within the CMA have reported an average 4.5% increase in base price.**

The Product Pricing Program within Exhibit 13 represents Metrostudy's estimated minimum base pricing for product lines within Great Western Park. These prices represent an actual minimum base price for sample product lines within Great Western Park, with consideration of the actively selling product by Taylor Morrison Homes. These base price recommendations were derived from the current base prices offered by the builder in Great Western Park, collected during site visits.

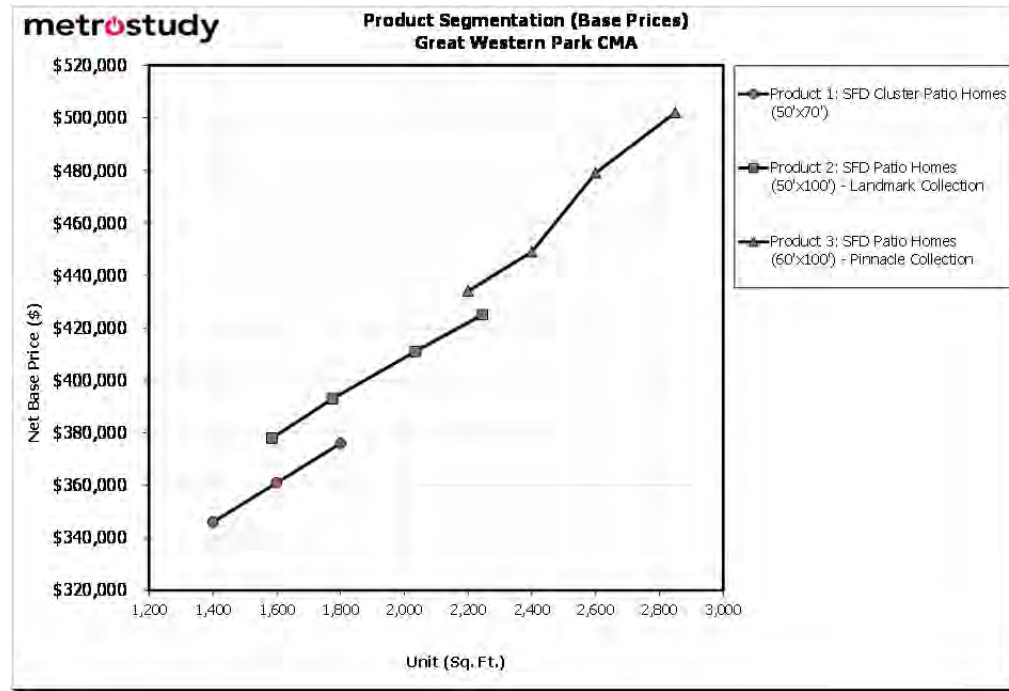
To calculate average closing price, lot premiums were collected from each builder on a field survey among their current project within the community. Premiums will vary based the product line, and on lot location, size, topography, and views. Options/upgrades were also estimated from field research with actively selling product and positioned in increasing fashion among the Great Western Park product lines. For details per product line on both premiums and options/upgrades, please refer to the Great Western Park Pricing Program in Exhibit 13.

At these price points, Great Western Park will offer a variety of product and pricing. Great Western Park is positioned well to meet all potential buyers in the active-adult consumer segment. The typical production lot sizes, between 50' and 69', where about 56% of current CMA lot sizes are active or anticipated, will remain the most competitive segment of the market. The higher-density cluster home products are positioned to

compete with the high-density product CalAtlantic is building in Anthem Colorado. As other communities build-out, there may be room for pricing to increase, though overall we expect prices to continue to level off in the next year, as lot supplies rise and lot pricing pressure eases.

Overall, Metrostudy believes Great Western Park will continue to grow as one of the top performing Active Adult communities in both the CMA and Denver Market, offering an attractive amenity package and authentic sense of community that will attract value-seeking empty-nester buyers who are drawn to the Northwest Denver area.

Exhibit 12 : *Product (Base Price) Segmentation Graph*



- Product prices and plan information for the Subject Property is based on all currently available information regarding the Subject Property, as provided by the Client. Additional assumptions and estimates have been included based on an analysis within the competitive market to determine the most likely additional product information.
- All information is based on current market conditions. Pricing at the Subject Property's release may need adjustment. Metrostudy estimates a 1%-2% annual increase on base pricing in the CMA over the next few years as tight lot supplies and lot pricing levels off, easing pressure on home prices.
- Lot Premiums are estimated between 2.0% and 5.0% and an Option/Upgrade package is approximated at between 8.0% and 10.0% for remaining products.

Exhibit 13 : *Great Western Park Pricing Program*

<i>Product 1: SFD Cluster Patio Homes (50'x70')</i>	Plan	(Sq. Ft.)	Net Price (\$)	\$/Sq. Ft.	Lot Premium	Opt/Upgrade	Est. Close Price
	A	1,400	\$345,990	\$247.14	2.0%	10.0%	\$388,201
	B	1,600	\$360,990	\$225.62	2.5%	10.0%	\$407,016
	C	1,800	\$375,990	\$208.88	3.0%	10.0%	\$425,997
		1,611	\$360,990	\$224.04	2.5%	10.0%	\$407,071
<i>Product 2: SFD Patio Homes (50'x100') - Landmark Collection</i>	Plan	(Sq. Ft.)	Net Price (\$)	\$/Sq. Ft.	Lot Premium	Opt/Upgrade	Est. Close Price
	D	1,585	\$377,990	\$238.48	4.0%	8.0%	\$424,558
	E	1,775	\$392,990	\$221.40	4.0%	8.0%	\$441,406
	F	2,035	\$410,990	\$201.96	5.0%	9.0%	\$470,378
	G	2,245	\$424,990	\$189.31	5.0%	9.0%	\$486,401
		1,910	\$401,740	\$210.34	4.5%	8.5%	\$455,686
<i>Product 3: SFD Patio Homes (60'x100') - Pinnacle Collection</i>	Plan	(Sq. Ft.)	Net Price (\$)	\$/Sq. Ft.	Lot Premium	Opt/Upgrade	Est. Close Price
	H	2,200	\$433,990	\$197.27	4.0%	8.0%	\$487,458
	I	2,400	\$448,990	\$187.08	4.0%	8.0%	\$504,306
	J	2,600	\$478,990	\$184.23	5.0%	8.5%	\$545,689
	K	2,850	\$501,990	\$176.14	5.0%	9.0%	\$574,528
		2,513	\$465,990	\$185.47	4.5%	8.4%	\$527,995

Exhibit Package

Economic Overview

Employment and Job Growth

Exhibit 14 : Denver-Boulder, CO Employment by Industry Sector

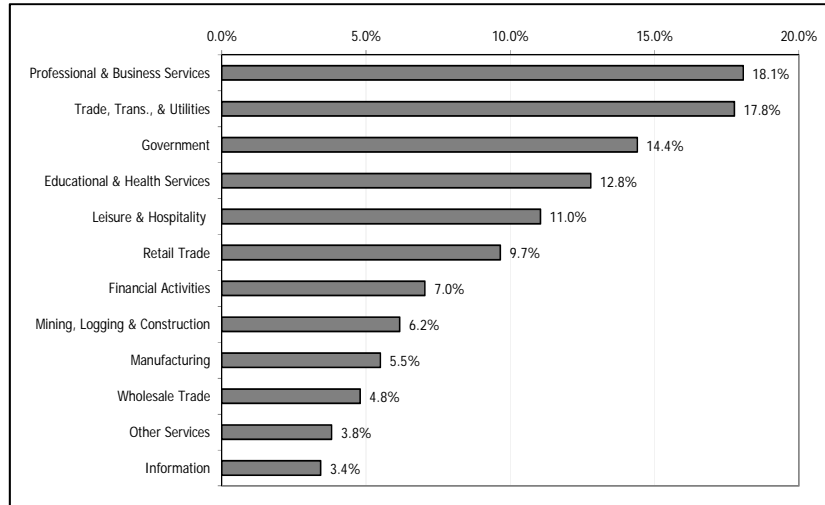
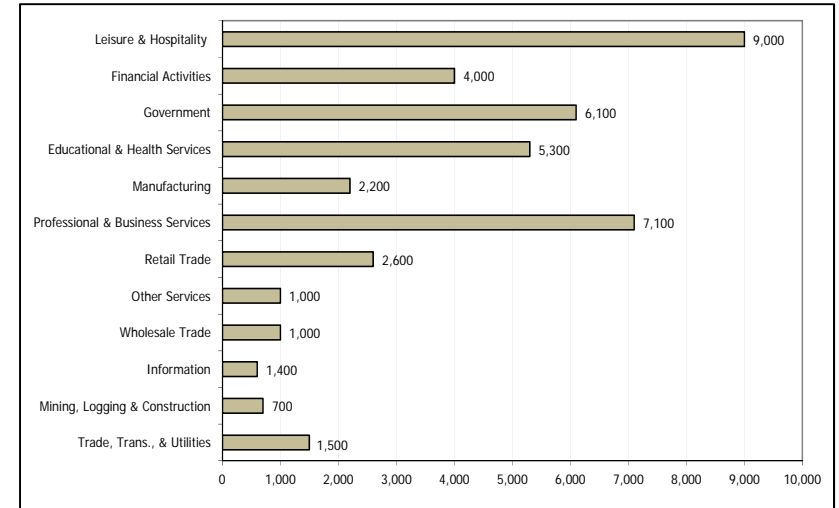


Exhibit 15 : Denver-Boulder, CO Employment Growth Year-Over-Year



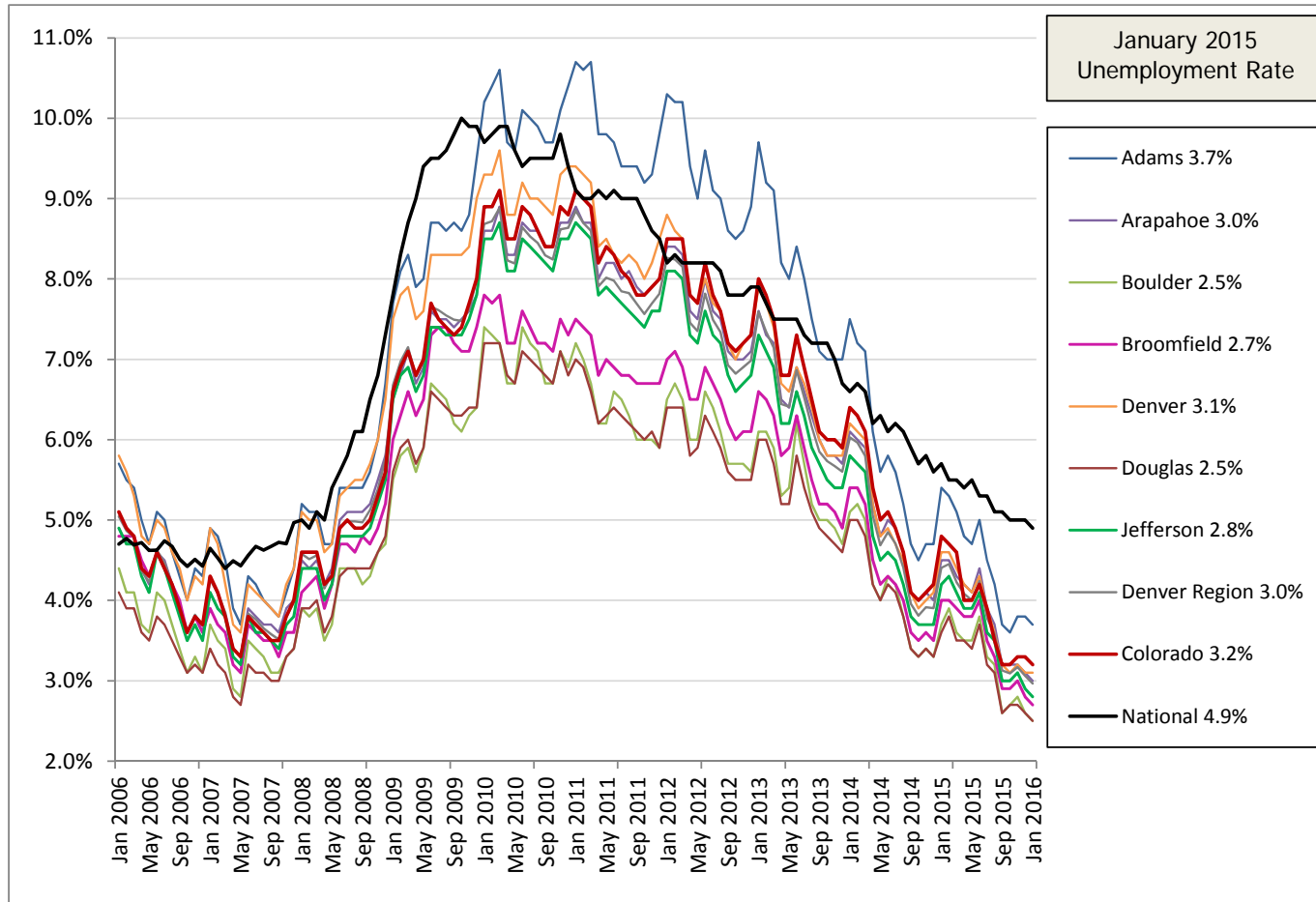
Ranked by Current Industry Sector One-Year Growth

Sector	Jan 2016	Jan 2015	Net Jobs			Capture %	YOY %
			1-Yr	3-Yr	5-Yr		
Leisure & Hospitality	173,500	164,500	9,000	23,200	32,800	11.0%	5.5%
Financial Activities	110,600	106,600	4,000	9,500	13,300	7.0%	3.8%
Government	226,200	220,100	6,100	17,200	21,100	14.4%	2.8%
Educational & Health Services	200,900	195,600	5,300	23,400	36,000	12.8%	2.7%
Manufacturing	86,300	84,100	2,200	6,100	9,700	5.5%	2.6%
Professional & Business Services	283,900	276,800	7,100	29,300	51,100	18.1%	2.6%
Retail Trade	151,700	149,100	2,600	10,100	16,700	9.7%	1.7%
Other Services	59,800	58,800	1,000	4,200	7,300	3.8%	1.7%
Wholesale Trade	75,300	74,300	1,000	6,000	9,000	4.8%	1.3%
Information	53,800	53,200	600	2,100	1,400	3.4%	1.1%
Mining, Logging & Construction	96,900	96,200	700	19,500	28,100	6.2%	0.7%
Trade, Trans., & Utilities	279,100	277,600	1,500	18,100	31,000	17.8%	0.5%
Total Non-Farm	1,571,000	1,533,500	37,500	152,600	231,800	100.0%	2.4%

To further break down the economic characters of the area, we've provided a historical look at select county unemployment rates, as well as against the Denver region, the state, and national rates. As some rates begin to fall, there are some additional factors to consider when reviewing unemployment rate trends. These include fewer people looking for work and demographic shifts as workers who delayed retirement during the recession now begin to leave the workforce, leaving job openings to fill.

Broomfield County (pink-colored line), where Great Western Park is located, has historically held and continues to report one of the lowest unemployment rates in the Denver Market, falling below the region and state and well under the national rate.

Exhibit 16 : *Regional Unemployment Rate Trends by County*



Demographic Overview
Population and Households

Exhibit 17 : *Denver Market Total Population*

Denver Market	Total Population		
	2010 Census	2015 Estimate	2020 Projection
Population	2,784,228	3,030,699	3,256,251
Total Numerical Change	---	246,471	225,552
Total Percent Change	---	8.9%	7.4%
Annual Number Change	---	49,294	45,110
Annual Percent Change	---	1.7%	1.4%
Households	1,101,774	1,207,163	1,303,598
Total Numerical Change	---	105,389	96,435
Total Percent Change	---	9.6%	8.0%
Annual Number Change	---	21,078	19,287
Annual Percent Change	---	1.8%	1.5%
Average Household Size	2.5	2.5	2.5

Source: Metrostudy/Nuestar/U.S. Census Bureau

Exhibit 18 : *Great Western Park CMA Total Population*

Great Western Park CMA	Total Population		
	2010 Census	2015 Estimate	2020 Projection
Population	422,036	448,481	475,021
Total Numerical Change	---	26,445	26,540
Total Percent Change	---	6.3%	5.9%
Annual Number Change	---	5,289	5,308
Annual Percent Change	---	1.2%	1.2%
Households	164,333	177,239	189,393
Total Numerical Change	---	12,906	12,154
Total Percent Change	---	7.9%	6.9%
Annual Number Change	---	2,581	2,431
Annual Percent Change	---	1.5%	1.3%
Average Household Size	2.6	2.5	2.5
CMA % of Market			
Population	15.2%	14.8%	14.6%
Households	14.9%	14.7%	14.5%

Source: Metrostudy/Nuestar/U.S. Census Bureau

Age Distribution

Exhibit 19 : *Market Age Distribution*

Denver Market						
Age Group	2010 Census		2015 Estimate		2020 Projection	
	Total	%	Total	%	Total	%
0-24	944,410	33.9%	998,615	33.0%	1,054,700	32.4%
25-34	425,013	15.3%	450,509	14.9%	442,497	13.6%
35-44	410,614	14.7%	431,354	14.2%	446,933	13.7%
45-54	408,070	14.7%	416,377	13.7%	435,981	13.4%
55-64	316,821	11.4%	372,062	12.3%	413,475	12.7%
65-74	156,400	5.6%	220,746	7.3%	292,198	9.0%
75-84	86,671	3.1%	98,588	3.3%	124,902	3.8%
85+	36,286	1.3%	42,406	1.4%	45,435	1.4%
	2,784,228	100.0%	3,030,699	100.0%	3,256,251	100.0%
Annual Change						
0-24	-	-	10,841	1.1%	11,217	1.1%
25-34	-	-	5,099	1.2%	-1,602	-0.4%
35-44	-	-	4,148	1.0%	3,116	0.7%
45-54	-	-	1,661	0.4%	3,921	0.9%
55-64	-	-	11,048	3.3%	8,283	2.1%
65-74	-	-	12,869	7.1%	14,290	5.8%
75-84	-	-	2,383	2.6%	5,263	4.8%
85+	-	-	1,224	3.2%	606	1.4%
Median Age	35.6		36.5		37.9	

Source: Metrostudy/Neustar/U.S. Census Bureau

Exhibit 20 : *CMA Age Distribution*

Great Western Park CMA						
Age Group	2010 Census		2015 Estimate		2020 Projection	
	Total	%	Total	%	Total	%
0-24	143,239	33.9%	146,295	32.6%	149,727	31.5%
25-34	59,139	14.0%	63,474	14.2%	63,083	13.3%
35-44	59,456	14.1%	60,708	13.5%	63,849	13.4%
45-54	65,289	15.5%	62,950	14.0%	62,348	13.1%
55-64	49,209	11.7%	57,568	12.8%	64,089	13.5%
65-74	25,236	6.0%	33,958	7.6%	44,211	9.3%
75-84	14,810	3.5%	16,700	3.7%	20,160	4.2%
85+	5,661	1.3%	6,826	1.5%	7,570	1.6%
	422,036	100.0%	448,481	100.0%	475,021	100.0%
Annual Change						
0-24	-	-	611	0.4%	686	0.5%
25-34	-	-	867	1.4%	-78	-0.1%
35-44	-	-	250	0.4%	628	1.0%
45-54	-	-	-468	-0.7%	-120	-0.2%
55-64	-	-	1,672	3.2%	1,304	2.2%
65-74	-	-	1,744	6.1%	2,051	5.4%
75-84	-	-	378	2.4%	692	3.8%
85+	-	-	233	3.8%	149	2.1%
Median Age	36.5		37.4		38.9	

Source: Metrostudy/Neustar/U.S. Census Bureau

Household Income

Exhibit 21 : *Market Household Income*

Denver Market						
Annual Household Inc.	2000 Census		2015 Estimate		2020 Projection	
	Total HH	%	Total HH	%	Total HH	%
Under \$25,000	186,076	19.8%	219,583	18.2%	217,440	16.7%
\$25,000-\$34,000	111,468	11.8%	105,410	8.7%	104,783	8.0%
\$35,000-\$49,000	153,731	16.3%	151,012	12.5%	154,695	11.9%
\$50,000-\$74,000	204,285	21.7%	215,343	17.8%	223,029	17.1%
\$75,000-\$99,000	123,819	13.2%	156,406	13.0%	167,636	12.9%
\$100,000-\$149,000	101,787	10.8%	191,335	15.9%	217,831	16.7%
\$150,000+	59,548	6.3%	168,158	13.9%	218,222	16.7%
	940,729	100.0%	1,207,163	100.0%	1,303,598	100.0%
Average Household Inc.	\$67,338		\$87,371		\$95,249	
Median Household Inc.	\$52,332		\$64,808		\$69,600	

Source: Metrostudy/Neustar/U.S. Census Bureau

Exhibit 22 : *CMA Household Income*

Great Western Park CMA						
Annual Household Inc.	2000 Census		2015 Estimate		2020 Projection	
	Total HH	%	Total HH	%	Total HH	%
Under \$25,000	23,784	16.1%	29,315	16.5%	29,072	15.4%
\$25,000-\$34,000	16,403	11.1%	15,217	8.6%	15,221	8.0%
\$35,000-\$49,000	24,983	16.9%	22,220	12.5%	22,589	11.9%
\$50,000-\$74,000	36,195	24.5%	33,096	18.7%	33,932	17.9%
\$75,000-\$99,000	21,897	14.9%	25,326	14.3%	26,392	13.9%
\$100,000-\$149,000	17,031	11.6%	29,156	16.5%	32,803	17.3%
\$150,000+	7,166	4.9%	22,899	12.9%	29,394	15.5%
	147,451	100.0%	177,239	100.0%	189,393	100.0%
Average Household Inc.	\$66,278		\$85,453		\$92,343	
Median Household Inc.	\$55,909		\$66,511		\$70,496	

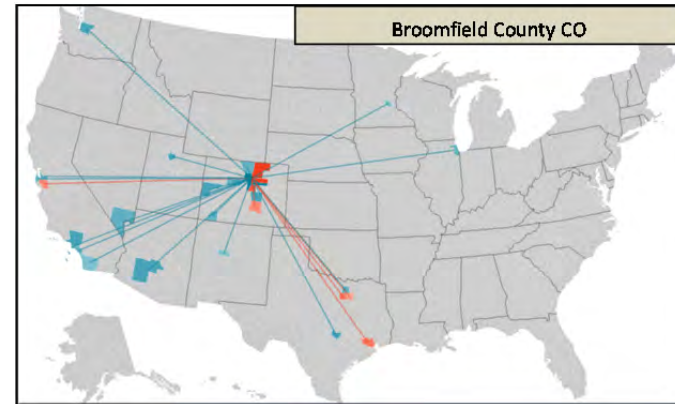
Source: Metrostudy/Neustar/U.S. Census Bureau

In and Out Migration Trends

The following tables represent in-migration patterns within Jefferson County, as determined through exemptions claimed in tax returns filed with the Internal Revenue Service between 2012 and 2013, the most recent available data set. These tables reflect (1) patterns of in-migration; or those residents who filed somewhere else in 2012 and then within Broomfield County in 2013; (2) patterns of out-migration; those residents who filed within Broomfield County in 2012 and somewhere else in 2013. IRS migration data tend to under-represent the poor and elderly, as well as the very wealthy, and has other weaknesses, but these data are the most comprehensive that exist.

Exhibit 23 : *In-Migration Trends into Broomfield County, County-to-County & Historical Net Migration Trends*

Broomfield County Migration Patterns 2012-2013					
In			Out		
Adams	1,333	20.2%	Adams	1,602	27.4%
Boulder	975	14.8%	Jefferson	774	13.2%
Jefferson	833	12.6%	Boulder	654	11.2%
Denver	488	7.4%	Denver	491	8.4%
Arapahoe	256	3.9%	Arapahoe	245	4.2%
Weld	165	2.5%	Weld	214	3.7%
Larimer	137	2.1%	Douglas	117	2.0%
El Paso CO	90	1.4%	Larimer	115	2.0%
Douglas	84	1.3%	El Paso CO	52	0.9%
Maricopa AZ	65	1.0%	Maricopa AZ	46	0.8%
Cook IL	42	0.6%	Los Angeles CA	39	0.7%
Los Angeles CA	41	0.6%	Foreign - Overs	28	0.5%
Total	6,599		Total	5,844	
Net Migration:			755		

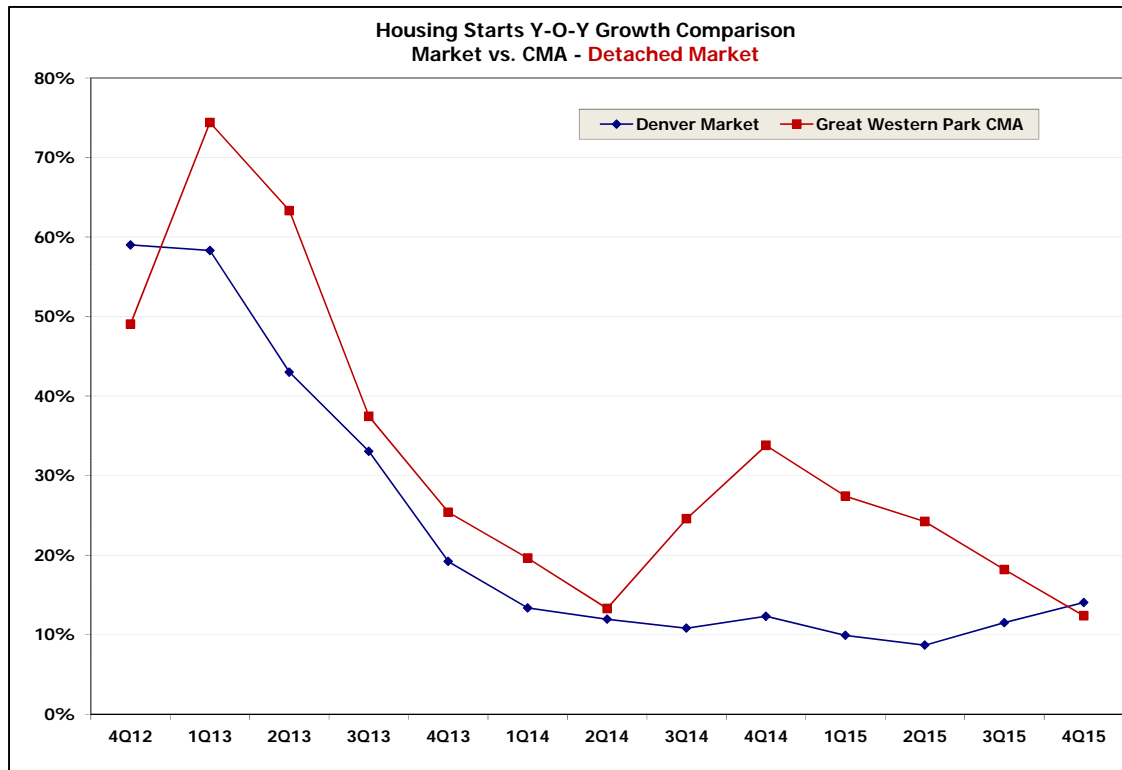


Years	In	Out	Net
04-05	2,879	2,730	149
05-06	3,266	2,692	574
06-07	3,385	2,566	819
07-08	5,443	5,048	395
08-09	5,335	4,897	438
09-10	5,128	4,880	248
10-11	5,295	4,866	429
11-12	5,721	5,419	302
12-13	6,599	5,844	755

Housing Market Overview

New Home Production

Exhibit 24 : *Housing Starts Activity – Single Family Detached*



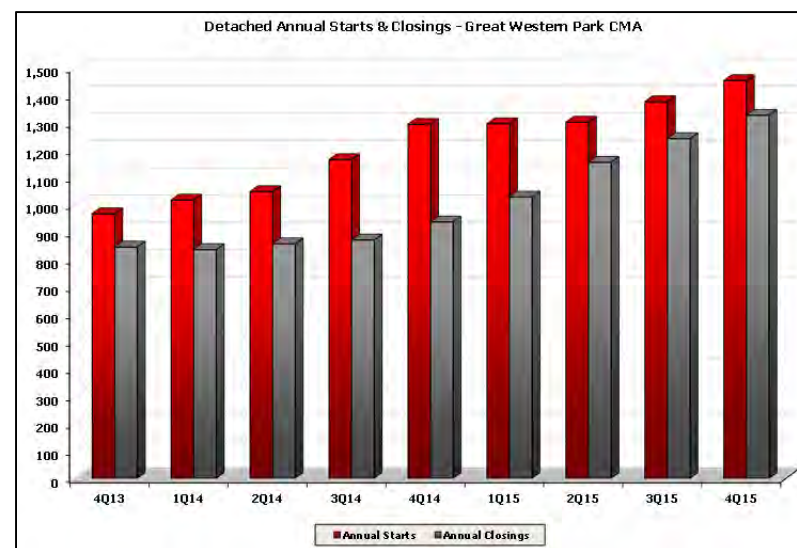
Quarter	Denver Market		Great Western Park CMA	
	Ann Starts	% YOY Growth	Ann Starts	% YOY Growth
4Q11	2,929	*	518	*
1Q12	3,157	*	488	*
2Q12	3,664	*	567	*
3Q12	4,103	*	681	*
4Q12	4,657	59.0%	772	49.0%
1Q13	4,997	58.3%	851	74.4%
2Q13	5,239	43.0%	926	63.3%
3Q13	5,459	33.0%	936	37.4%
4Q13	5,551	19.2%	968	25.4%
1Q14	5,664	13.3%	1,018	19.6%
2Q14	5,864	11.9%	1,049	13.3%
3Q14	6,049	10.8%	1,166	24.6%
4Q14	6,234	12.3%	1,295	33.8%
1Q15	6,225	9.9%	1,297	27.4%
2Q15	6,372	8.7%	1,303	24.2%
3Q15	6,744	11.5%	1,378	18.2%
4Q15	7,109	14.0%	1,455	12.4%
Hist. Ave.	5,295	23.5%	980	32.5%

Exhibit 25 : *New Housing Starts and Closings Activity Comparison – Single Family Detached*



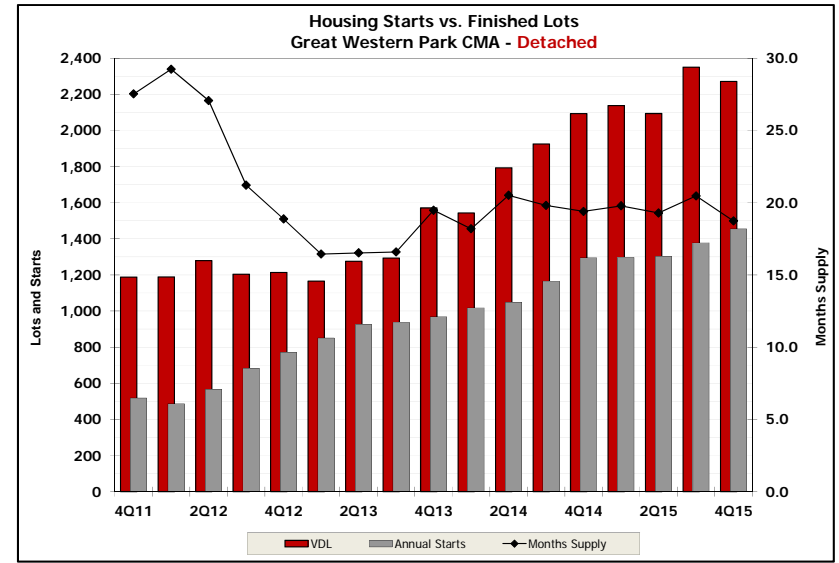
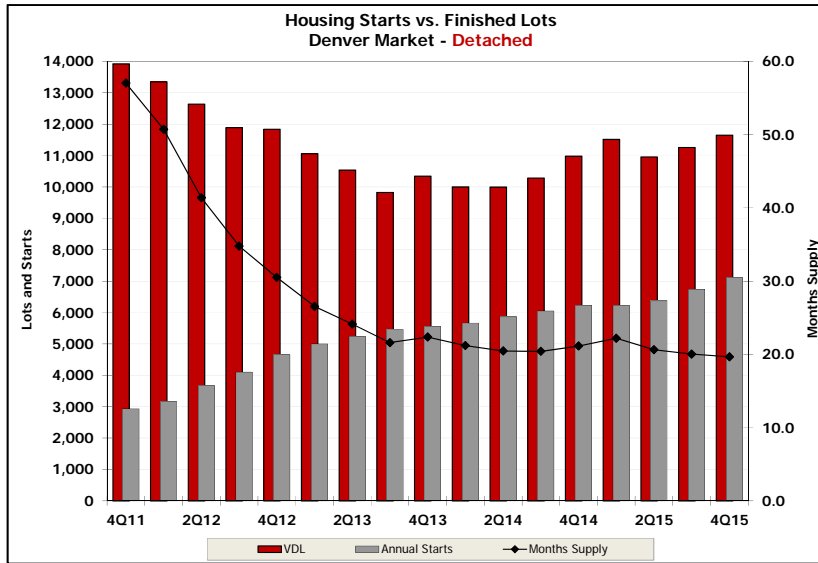
Quarter	Annual Starts		Annual Closings		St - Cl
4Q13	5,551	19.2%	5,171	36.3%	380
1Q14	5,664	13.3%	5,116	22.2%	548
2Q14	5,864	11.9%	5,205	12.9%	659
3Q14	6,049	10.8%	5,228	5.9%	821
4Q14	6,234	12.3%	5,328	3.0%	906
1Q15	6,225	9.9%	5,555	8.6%	670
2Q15	6,372	8.7%	5,911	13.6%	461
3Q15	6,744	11.5%	6,180	18.2%	564
4Q15	7,109	14.0%	6,421	20.5%	688
9-Qtr Avg	6,201	12.4%	5,568	15.7%	633

Quarter	Annual Starts		Annual Closings		St - Cl
4Q13	968	25.4%	846	39.6%	122
1Q14	1,018	19.6%	837	21.5%	181
2Q14	1,049	13.3%	858	12.6%	191
3Q14	1,166	24.6%	872	2.8%	294
4Q14	1,295	33.8%	938	10.9%	357
1Q15	1,297	27.4%	1,029	22.9%	268
2Q15	1,303	24.2%	1,156	34.7%	147
3Q15	1,378	18.2%	1,243	42.5%	135
4Q15	1,455	12.4%	1,328	41.6%	127
9-Qtr Avg	1,214	22.1%	1,012	25.5%	202



Lot Supply

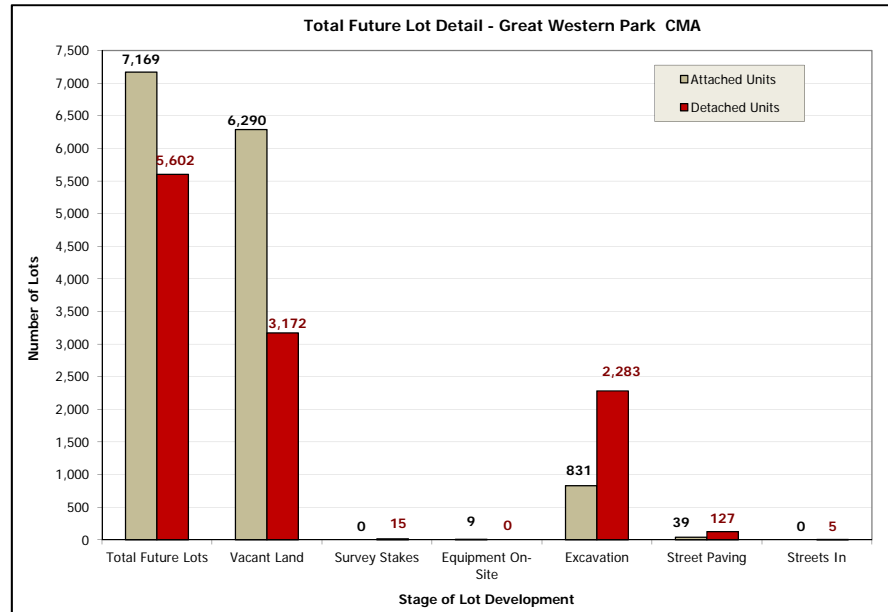
Exhibit 26 : Vacant Developed Lots and Months of Supply – Single Family Detached



Quarter	Denver - Detached			Great Western Park CMA - Detached		
	VDL	Annual Starts	Months Supply	VDL	Annual Starts	Months Supply
4Q12	11,836	4,657	30.5	1,214	772	18.9
4Q13	10,343	5,551	22.4	1,571	968	19.5
4Q14	10,977	6,234	21.1	2,093	1,295	19.4
4Q15	11,648	7,109	19.7	2,271	1,455	18.7
Hist. Avg	11,295	5,295	25.6	1,623	980	19.9

Future Lot Supply

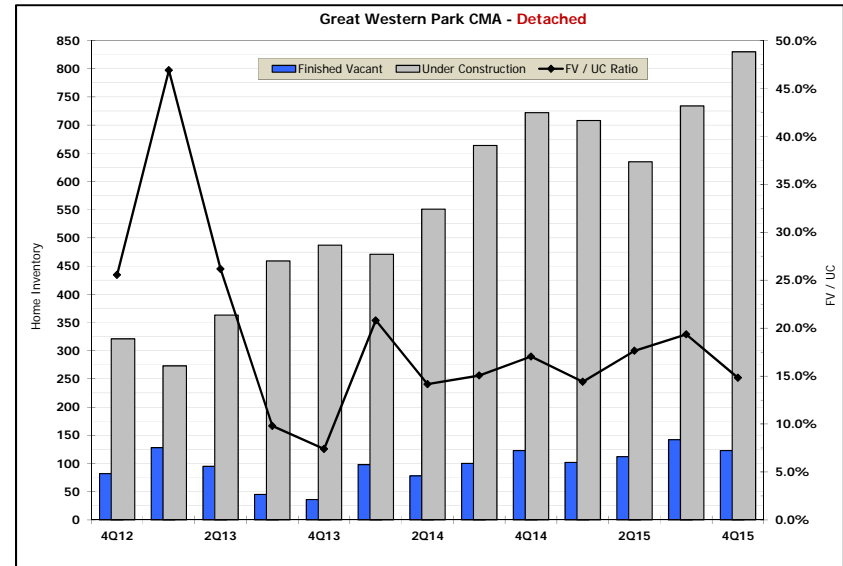
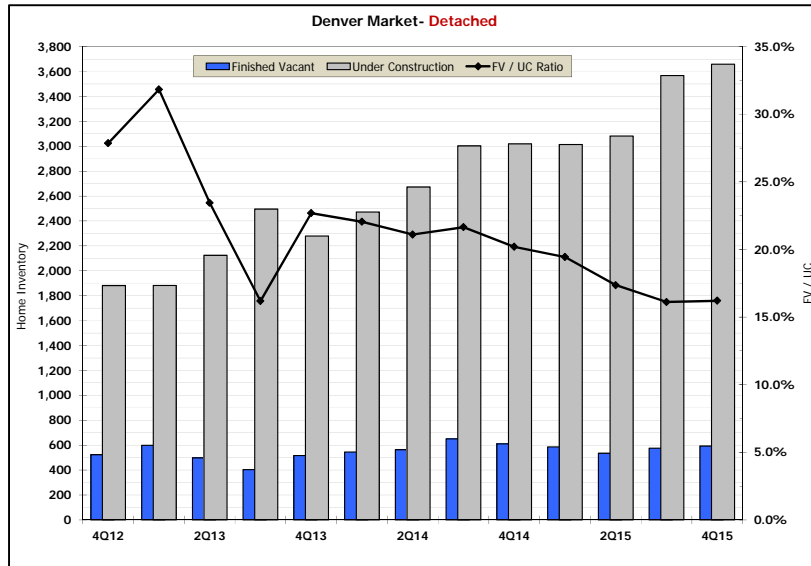
Exhibit 27 : Development Status of Future Lots and Future Supply



4Q15	Denver Market		Great Western Park CMA	
	Attached Future Lot Detail			
Total Future Lots	73,827	100.0%	7,169	100.0%
Vacant Land	70,557	95.6%	6,290	87.7%
Survey Stakes	495	0.7%	0	0.0%
Equipment On-Site	9	0.0%	9	0.1%
Excavation	2,320	3.1%	831	11.6%
Street Paving	330	0.4%	39	0.5%
Streets In	116	0.2%	0	0.0%
Detached Future Lot Detail				
Total Future Lots	129,391	100.0%	5,602	100.0%
Vacant Land	119,222	92.1%	3,172	56.6%
Survey Stakes	15	0.0%	15	0.3%
Equipment On-Site	552	0.4%	0	0.0%
Excavation	8,688	6.7%	2,283	40.8%
Street Paving	709	0.5%	127	2.3%
Streets In	205	0.2%	5	0.1%

Housing Inventory

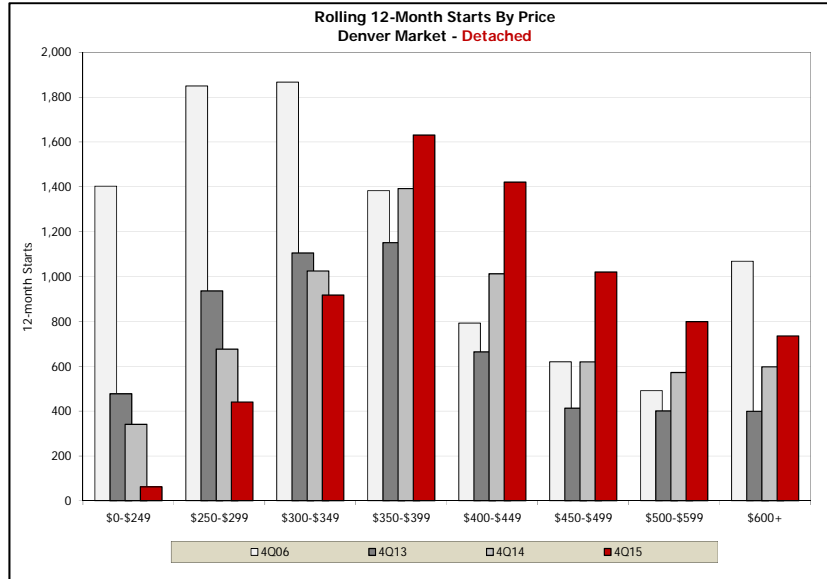
Exhibit 28 : *Finished and Vacant vs. Under Construction Inventory – Single Family Detached*



Quarter	Denver Market - Detached					Great Western Park CMA - Detached				
	Finished Vacant	Under Construction	Models	Total Inventory	FV / UC Ratio	Finished Vacant	Under Construction	Models	Total Inventory	FV / UC Ratio
4Q12	524	1,881	259	2,664	27.9%	82	321	42	445	25.5%
1Q13	599	1,882	253	2,734	31.8%	128	273	45	446	46.9%
2Q13	498	2,124	250	2,872	23.4%	95	363	42	500	26.2%
3Q13	404	2,496	245	3,145	16.2%	45	459	41	545	9.8%
4Q13	517	2,279	248	3,044	22.7%	36	487	44	567	7.4%
1Q14	545	2,472	265	3,282	22.0%	98	471	58	627	20.8%
2Q14	564	2,673	294	3,531	21.1%	78	551	62	691	14.2%
3Q14	650	3,003	313	3,966	21.6%	100	664	75	839	15.1%
4Q14	610	3,020	320	3,950	20.2%	123	722	79	924	17.0%
1Q15	586	3,014	352	3,952	19.4%	102	708	85	895	14.4%
2Q15	535	3,082	375	3,992	17.4%	112	635	91	838	17.6%
3Q15	575	3,568	387	4,530	16.1%	142	734	98	974	19.3%
4Q15	593	3,659	386	4,638	16.2%	123	830	98	1,051	14.8%
Hist. Avg	554	2,704		3,562	20.5%	97	555		719	17.5%

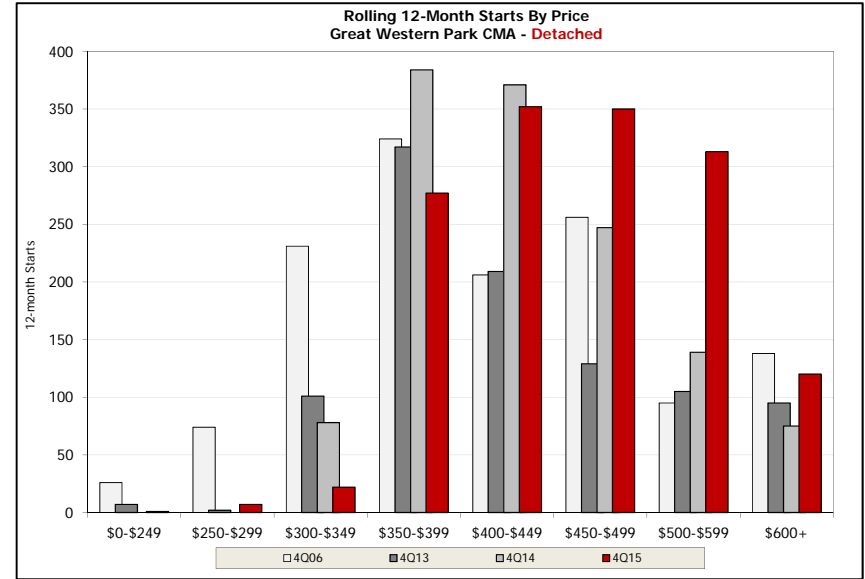
Price Distribution

Exhibit 29 : 12-Month Starts by Price – Denver Market (SFD)



Denver Market		12-month Starts							
Quarter	\$0-\$249	\$250-\$299	\$300-\$349	\$350-\$399	\$400-\$449	\$450-\$499	\$500-\$599	\$600+	
4Q06	1,403	1,850	1,867	1,383	792	620	491	1,068	
4Q13	477	936	1,105	1,151	664	413	401	399	
4Q14	341	676	1,025	1,392	1,012	619	572	597	
4Q15	62	440	917	1,631	1,421	1,020	799	735	
Market Share									
4Q06	14.8%	19.5%	19.7%	14.6%	8.4%	6.5%	5.2%	11.3%	
4Q13	8.6%	16.9%	19.9%	20.8%	12.0%	7.4%	7.2%	7.2%	
4Q14	5.5%	10.8%	16.4%	22.3%	16.2%	9.9%	9.2%	9.6%	
4Q15	0.9%	6.3%	13.1%	23.2%	20.2%	14.5%	11.4%	10.5%	

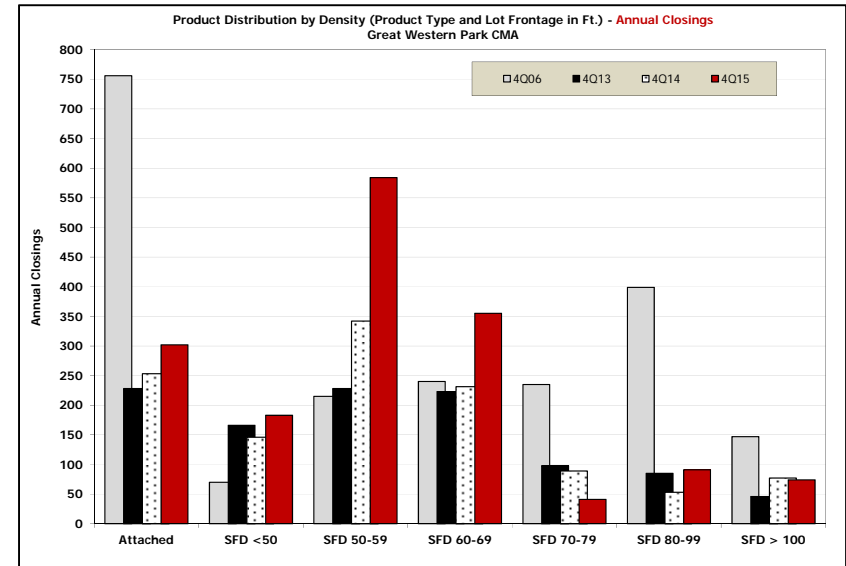
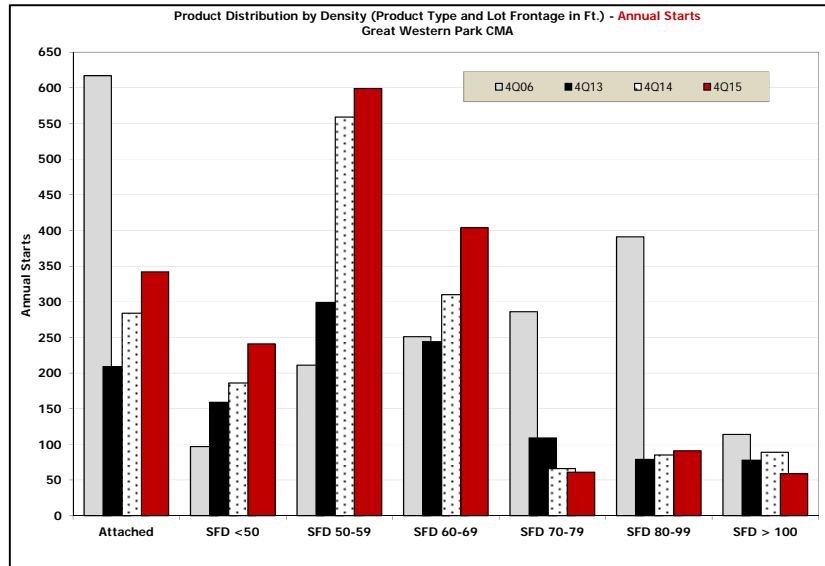
Exhibit 30 : 12-Month Starts by Price – Great Western Park CMA (SFD)



Great Western Park CMA		12-month Starts							
Quarter	\$0-\$249	\$250-\$299	\$300-\$349	\$350-\$399	\$400-\$449	\$450-\$499	\$500-\$599	\$600+	
4Q06	26	74	231	324	206	256	95	138	
4Q13	7	2	101	317	209	129	105	95	
4Q14	0	0	78	384	371	247	139	75	
4Q15	1	7	22	277	352	350	313	120	
Market Share									
4Q06	1.9%	5.5%	17.1%	24.0%	15.3%	19.0%	7.0%	10.2%	
4Q13	0.7%	0.2%	10.5%	32.8%	21.7%	13.4%	10.9%	9.8%	
4Q14	0.0%	0.0%	6.0%	29.7%	28.7%	19.1%	10.7%	5.8%	
4Q15	0.1%	0.5%	1.5%	19.2%	24.4%	24.3%	21.7%	8.3%	

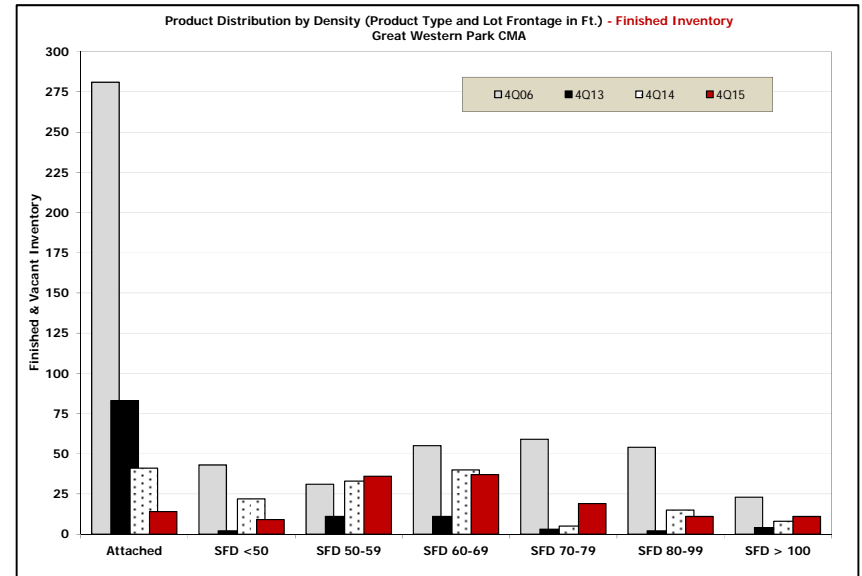
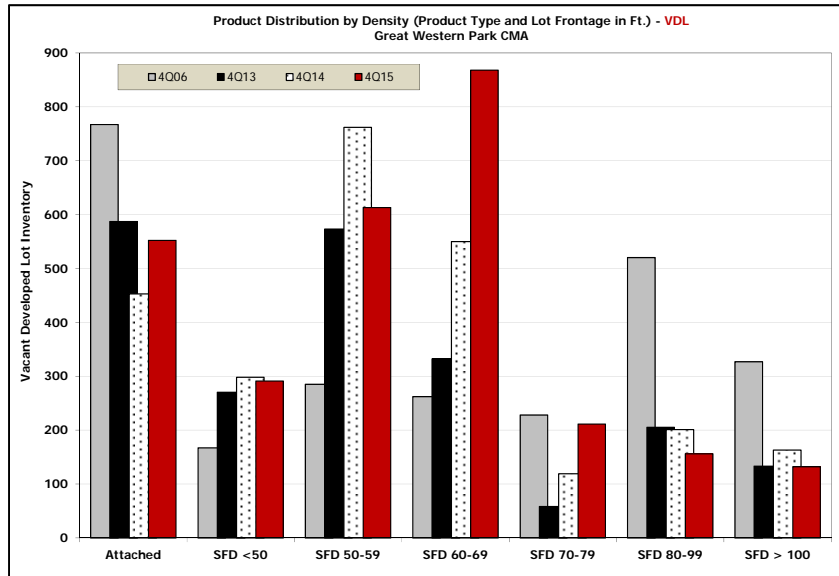
Product Distribution

Exhibit 31 : CMA Product Distribution, Annual Starts and Annual Closings



Great Western Park CMA								
Quarter	Attached	SFD <50	SFD 50-59	SFD 60-69	SFD 70-79	SFD 80-99	SFD > 100	Total
4Q06	617	97	211	251	286	391	114	1,967
4Q13	209	159	299	244	109	79	78	1,177
4Q14	284	186	559	310	66	85	89	1,579
4Q15	342	241	599	404	61	91	59	1,797
Market Share								
4Q06	31.4%	4.9%	10.7%	12.8%	14.5%	19.9%	5.8%	100%
4Q13	17.8%	13.5%	25.4%	20.7%	9.3%	6.7%	6.6%	100%
4Q14	18.0%	11.8%	35.4%	19.6%	4.2%	5.4%	5.6%	100%
4Q15	19.0%	13.4%	33.3%	22.5%	3.4%	5.1%	3.3%	100%

Exhibit 32 : CMA Product Distribution, Vacant Developed Lots and Finished Inventory



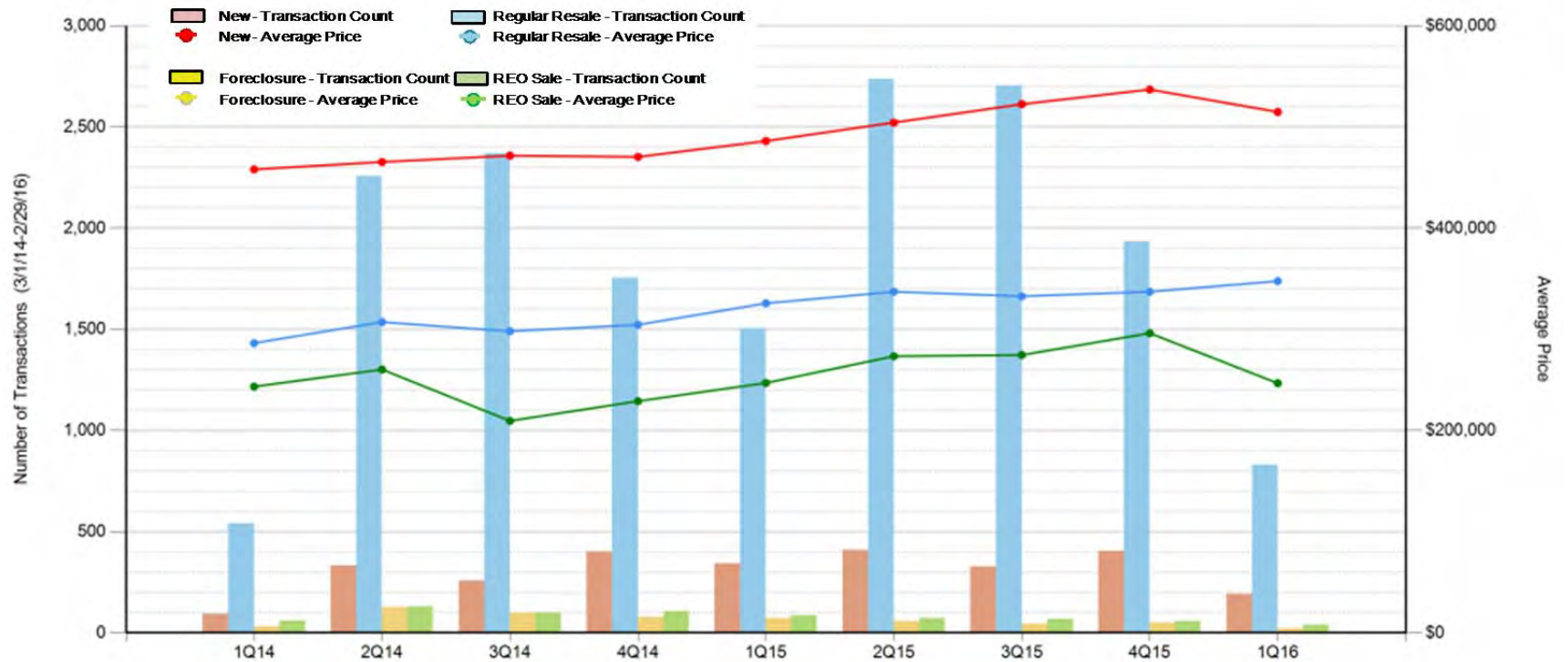
Great Western Park CMA								
Quarter	Attached	SFD <50	SFD 50-59	SFD 60-69	SFD 70-79	SFD 80-99	SFD > 100	Total
4Q06	767	167	285	262	228	520	327	2,556
4Q13	587	270	573	332	58	205	133	2,158
4Q14	453	298	762	550	119	201	163	2,546
4Q15	552	291	613	868	211	156	132	2,823
Market Share								
4Q06	30.0%	6.5%	11.2%	10.3%	8.9%	20.3%	12.8%	100%
4Q13	27.2%	12.5%	26.6%	15.4%	2.7%	9.5%	6.2%	100%
4Q14	17.8%	11.7%	29.9%	21.6%	4.7%	7.9%	6.4%	100%
4Q15	19.6%	10.3%	21.7%	30.7%	7.5%	5.5%	4.7%	100%

Resale Activity

Exhibit 33 : *New, Resale, and Foreclosures by Housing Type - CMA*

New, Resale, and Foreclosures By Housing Type
Great Western Park CMA

Date Range: 3/1/2015 - 2/29/2016															
Transaction Type	Single Family					TH/Plex/Other				Condominium				Other/Unkn	Total
	Count	Avg Price	Avg SF	\$ / SF	Avg Lot SF	Count	Avg Price	Avg SF	\$ / SF	Count	Avg Price	Avg SF	\$ / SF	Count	Count
New	1,270	\$537,588	2,691	\$204.4	7,993	220	\$410,088	1,812	\$232.0	8	\$282,067	1,162	\$200.7	5	1,503
Regular Resale	6,603	\$373,869	1,906	\$206.4	9,992	997	\$256,126	1,392	\$188.0	1,145	\$196,912	1,112	\$179.7	113	8,858
Foreclosure	138	n/a	1,810	---	10,089	26	n/a	1,249	---	30	n/a	1,035	---	4	198
REO Sale	186	\$319,730	1,775	\$189.4	9,547	34	\$193,957	1,218	\$164.9	41	\$149,159	999	\$144.5	5	266
Selection Totals	8,197	\$398,603	2,022	\$205.7	9,674	1,277	\$282,026	1,455	\$195.0	1,224	\$196,045	1,107	\$178.7	127	10,825



Note: Please disregard 1Q16 figures as they are only through March 2016 and thus incomplete at this time.

Competitive Market Analysis

Competitive Market Comparables & Positioning

Exhibit 34 : CMA Comparable Subdivisions - Single-Family <50' Product

Great Western Park CMA Market Rate Competitive Positioning - Single Family Detached <50'														
Project Name/Community Area/Lot Size/Builder	Planned Units	Occ.	Avg. Mos/Ann. Start & Ann. Closed	Plan Name	Unit			Size (Sq.Ft.)	Base Price	Incen's	Base Tax Rate	Ann. HOA	Net Base Price	Price / Sq.Ft.
					Bed- Bath	Floors-Parking								
1 Anthem Colorado/Highlands	98	30 30.6%	2.9 35 2.3 27	Sensation	2 - 2.0	1 - 2	1,708	\$395,990	(\$5,000)	\$4,809	\$1,554	\$390,990	\$229	
Broomfield				3 - 2.5	2 - 2	2,315	\$418,990	(\$5,000)	\$5,092	\$1,554	\$413,990	\$179		
SF Detached - Avg. 45 x 115				3 - 2.5	2 - 2	2,377	\$425,990	(\$5,000)	\$5,178	\$1,554	\$420,990	\$174		
CalAtlantic Homes				3 - 2.5	2 - 2	2,474	\$435,990	(\$5,000)	\$5,301	\$1,554	\$430,990	\$174		
<i>Note: Filing 15</i>				3 - 2.5	2 - 2	2,670	\$449,990	(\$5,000)	\$5,473	\$1,554	\$444,990	\$167		
				3 - 2.5	2 - 2	2,734	\$458,990	(\$5,000)	\$5,584	\$1,554	\$453,990	\$166		
Averages										2,380	\$430,990	(\$5,000)	\$5,240	\$1,554
2 Candelas	8	6 75.0%	0.0 0 0.1 1	Jazmin	3 - 2.5	2 - 2	2,218	\$385,000	(\$7,000)	\$4,914	\$0	\$378,000	\$170	
Arvada				2 - 2.5	1 - 2	2,255	\$405,900	(\$7,000)	\$5,186	\$0	\$398,900	\$177		
SF Detached - Avg. 45 x 110				3 - 2.5	2 - 2	2,407	\$401,900	(\$7,000)	\$5,134	\$0	\$394,900	\$164		
Village Homes				3 - 2.5	2 - 2	2,458	\$403,900	(\$7,000)	\$5,160	\$0	\$396,900	\$161		
<i>Note: Filing 1. HOA part of Metrodistric</i>				4 - 2.5	2 - 2	2,696	\$415,400	(\$7,000)	\$5,309	\$0	\$408,400	\$151		
				2 - 2.5	2 - 2	2,918	\$428,400	(\$7,000)	\$5,478	\$0	\$421,400	\$144		
Averages							2,492	\$406,750	(\$7,000)	\$5,197	\$0	\$399,750	\$161	
3 Cottages at Willow Park	31	11 35.5%	0.6 7 0.4 5	310	3 - 2.5	2 - 2	2,058	\$409,950	(\$10,000)	\$3,600	\$2,100	\$399,950	\$194	
Broomfield				3 - 2.5	2 - 2	2,061	\$414,950	(\$10,000)	\$3,645	\$2,100	\$404,950	\$196		
SF Detached - Avg. 40 x 100				3 - 2.5	2 - 2	2,171	\$424,950	(\$10,000)	\$3,735	\$2,100	\$414,950	\$191		
Century Communities				3 - 2.5	2 - 2	2,263	\$439,950	(\$10,000)	\$3,870	\$2,100	\$429,950	\$190		
<i>Note: Filing 1. No on-site sales office. Selling from Bradburn East</i>														
Averages							2,138	\$422,450	(\$10,000)	\$3,712	\$2,100	\$412,450	\$193	
4 Indian Peaks/South	50	39 78.0%	2.3 28 2.3 28	Curtis Park	2 - 2.0	1 - 2	1,210	\$381,000	\$0	\$3,810	\$1,068	\$381,000	\$315	
Lafayette				2 - 2.0	1 - 2	1,251	\$383,000	\$0	\$3,830	\$1,068	\$383,000	\$306		
SF Detached - Avg. 34 x 74				3 - 2.5	2 - 2	1,373	\$391,000	\$0	\$3,910	\$1,068	\$391,000	\$285		
McStain Neighborhoods				3 - 2.5	2 - 2	1,373	\$387,000	\$0	\$3,870	\$1,068	\$387,000	\$282		
<i>Note: Filing 17</i>				3 - 2.5	2 - 2	1,547	\$415,000	\$0	\$4,150	\$1,068	\$415,000	\$268		
				3 - 2.5	2 - 2	1,685	\$430,000	\$0	\$4,300	\$1,068	\$430,000	\$255		
Averages										1,407	\$397,833	\$0	\$3,978	\$1,068
5 Leyden Rock - Patio	48	24 50.0%	2.7 32 2.0 24	Athens	2 - 2.0	1 - 2	1,449	\$366,990	(\$7,000)	\$4,320	\$3,060	\$359,990	\$248	
Arvada				1 - 1.5	1 - 2	1,464	\$362,990	(\$7,000)	\$4,272	\$3,060	\$355,990	\$243		
SF Detached - Avg. 40 x 105				1 - 1.5	1 - 2	1,476	\$366,990	(\$7,000)	\$4,320	\$3,060	\$359,990	\$244		
CalAtlantic Homes				2 - 2.0	1 - 2	1,546	\$373,990	(\$7,000)	\$4,404	\$3,060	\$366,990	\$237		
<i>Note: Filing 4, no dirt starts left</i>				2 - 2.0	1 - 2	1,557	\$367,990	(\$7,000)	\$4,332	\$3,060	\$360,990	\$232		
				2 - 2.0	1 - 2	1,665	\$379,990	(\$7,000)	\$4,476	\$3,060	\$372,990	\$224		
Averages										1,526	\$369,823	(\$7,000)	\$4,354	\$3,060

Great Western Park CMA Market Rate Competitive Positioning - Single Family Detached <50'													
Project Name/Community Area/Lot Size/Builder	Planned Units	Occ.	Avg. Mos/Ann. Start & Ann. Closed	Plan Name	Unit			Base Price	Incen's	Base Tax Rate	Ann. HOA	Net Base Price	Price / Sq.Ft.
					Bed- Bath	Floors-Parking	Size (Sq.Ft.)						
6 Midtown/Duet and Signature	121	63	5.3	Duet 3	3 - 2.5	2 - 2	1,774	\$408,880	(\$1,800)	\$4,885	\$876	\$407,080	\$229
Denver		52.1%	64	Signature 1	2 - 2.5	2 - 2	1,786	\$430,880	(\$1,800)	\$5,149	\$876	\$429,080	\$240
SF Detached - Avg. 35-40 x 65-100			2.8	Duet 1	3 - 2.5	2 - 2	1,897	\$417,880	(\$1,800)	\$4,993	\$876	\$416,080	\$219
Brookfield Homes			33	Duet 4	3 - 2.5	2 - 2	1,940	\$417,880	(\$1,800)	\$4,993	\$876	\$416,080	\$214
<i>Note: Filings 1, 3, and 4</i>				Signature 5	2 - 2.5	2 - 2	1,994	\$431,880	(\$1,800)	\$5,161	\$876	\$430,080	\$216
				Signature 2	2 - 2.5	2 - 2	1,997	\$440,880	(\$1,800)	\$5,269	\$876	\$439,080	\$220
				Signature 4	2 - 2.5	2 - 2	2,059	\$447,000	(\$1,800)	\$5,342	\$876	\$445,200	\$216
				Duet 2	3 - 2.5	2 - 2	2,122	\$425,880	(\$1,800)	\$5,089	\$876	\$424,080	\$200
				Signature 3	3 - 2.5	2 - 2	2,140	\$445,880	(\$1,800)	\$5,329	\$876	\$444,080	\$208
				Signature 6	2 - 2.5	2 - 2	2,159	\$432,880	(\$1,800)	\$5,173	\$876	\$431,080	\$200
Averages							1,987	\$429,992	(\$1,800)	\$5,138	\$876	\$428,192	\$216
7 Midtown/Tealight	46	0	1.3	Tealight 1	2 - 2.5	2 - 2	1,298	\$343,880	(\$1,800)	\$4,105	\$876	\$342,080	\$264
Denver		0.0%	16	Tealight 2	1 - 1.5	2 - 2	1,299	\$337,880	(\$1,800)	\$4,033	\$876	\$336,080	\$259
SF Detached - Avg. 40-45 x 85			0.0	Tealight 3	2 - 2.5	2 - 2	1,479	\$358,880	(\$1,800)	\$4,285	\$876	\$357,080	\$241
Brookfield Homes				Tealight 4	3 - 2.5	2 - 2	1,526	\$364,880	(\$1,800)	\$4,357	\$876	\$363,080	\$238
<i>Note: Filings 4 and 5</i>			0										
Averages							1,401	\$351,380	(\$1,800)	\$4,195	\$876	\$349,580	\$250
8 Shoenberg Greens	52	0	0.5	Faversham	3 - 2.5	2 - 2	1,815	\$394,900	(\$2,500)	\$3,924	\$1,680	\$392,400	\$216
Westminster		0.0%	6	Cobblestone	3 - 2.5	2 - 2	1,956	\$415,900	(\$2,500)	\$4,134	\$1,680	\$413,400	\$211
SF Detached - Avg. 40 x 75			0.0	Westcliff	3 - 2.5	2 - 2	1,966	\$419,900	(\$2,500)	\$4,174	\$1,680	\$417,400	\$212
Berkeley Homes			0	Skyline	3 - 3.5	2 - 2	2,062	\$419,900	(\$2,500)	\$4,174	\$1,680	\$417,400	\$202
<i>Note: Filing 1</i>													
Averages							1,950	\$412,650	(\$2,500)	\$4,102	\$1,680	\$410,150	\$211
<i>Competitive Market Area Summary:</i>													
	Planned	454		15.7	Avg. Monthly	Min.	1,210	\$337,880	(\$10,000)	\$3,600	\$0	\$336,080	\$144
	Occ.	173		188	Last Ann. Start	Max.	2,918	\$458,990	\$0	\$5,584	\$3,060	\$453,990	\$315
	Remaining	281		9.8	Avg. Monthly	Average	1,927	\$406,048	(\$4,113)	\$4,609	\$1,336	\$401,935	\$217
				118	Last Ann. Close	Median	1,961	\$414,975	(\$2,500)	\$4,440	\$1,068	\$407,740	\$216

Exhibit 35 : CMA Price Position Graph - Single-Family <50' New Home Base Prices

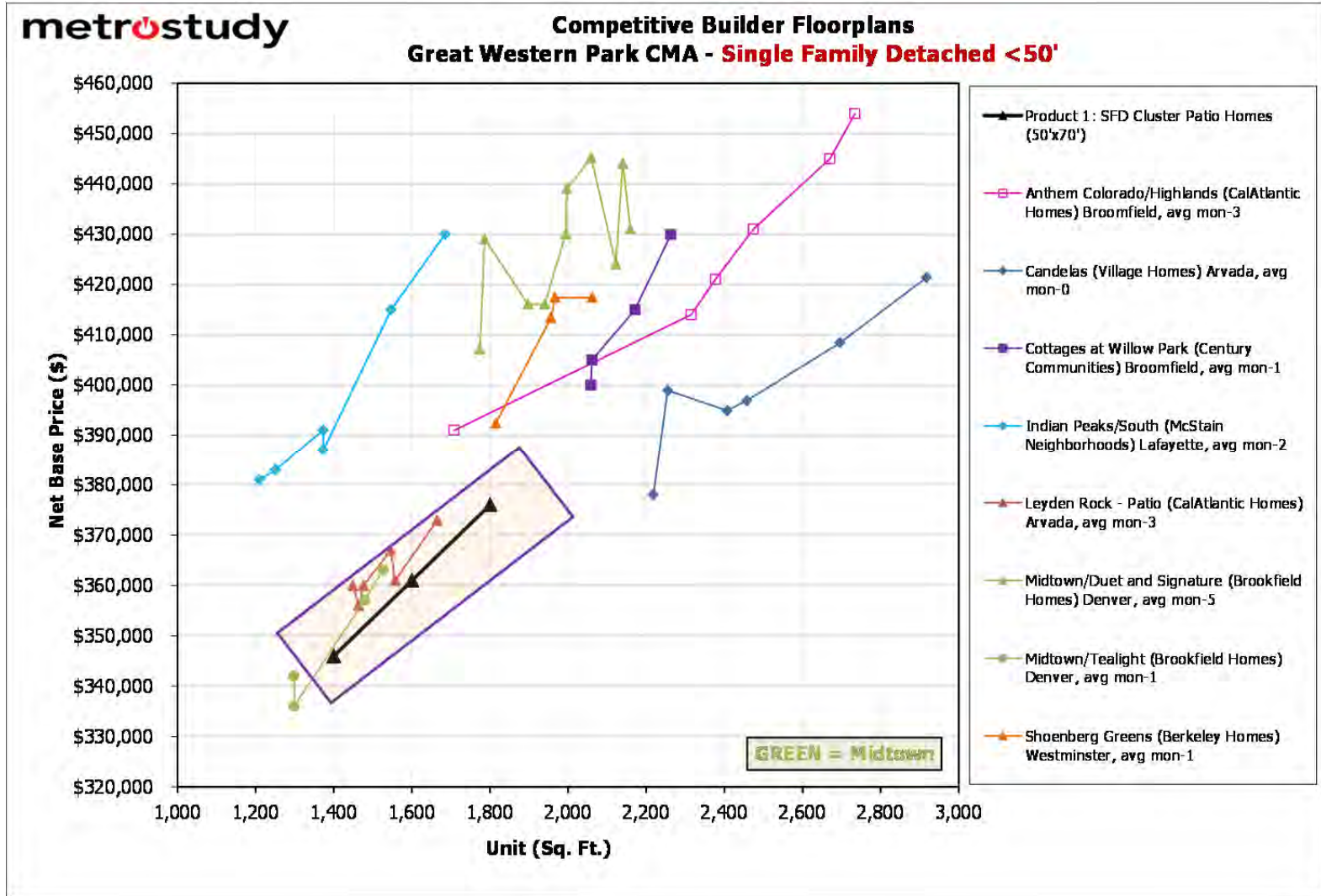


Exhibit 36 : CMA Price Position Graph - Single-Family <50' New Home Closing Prices

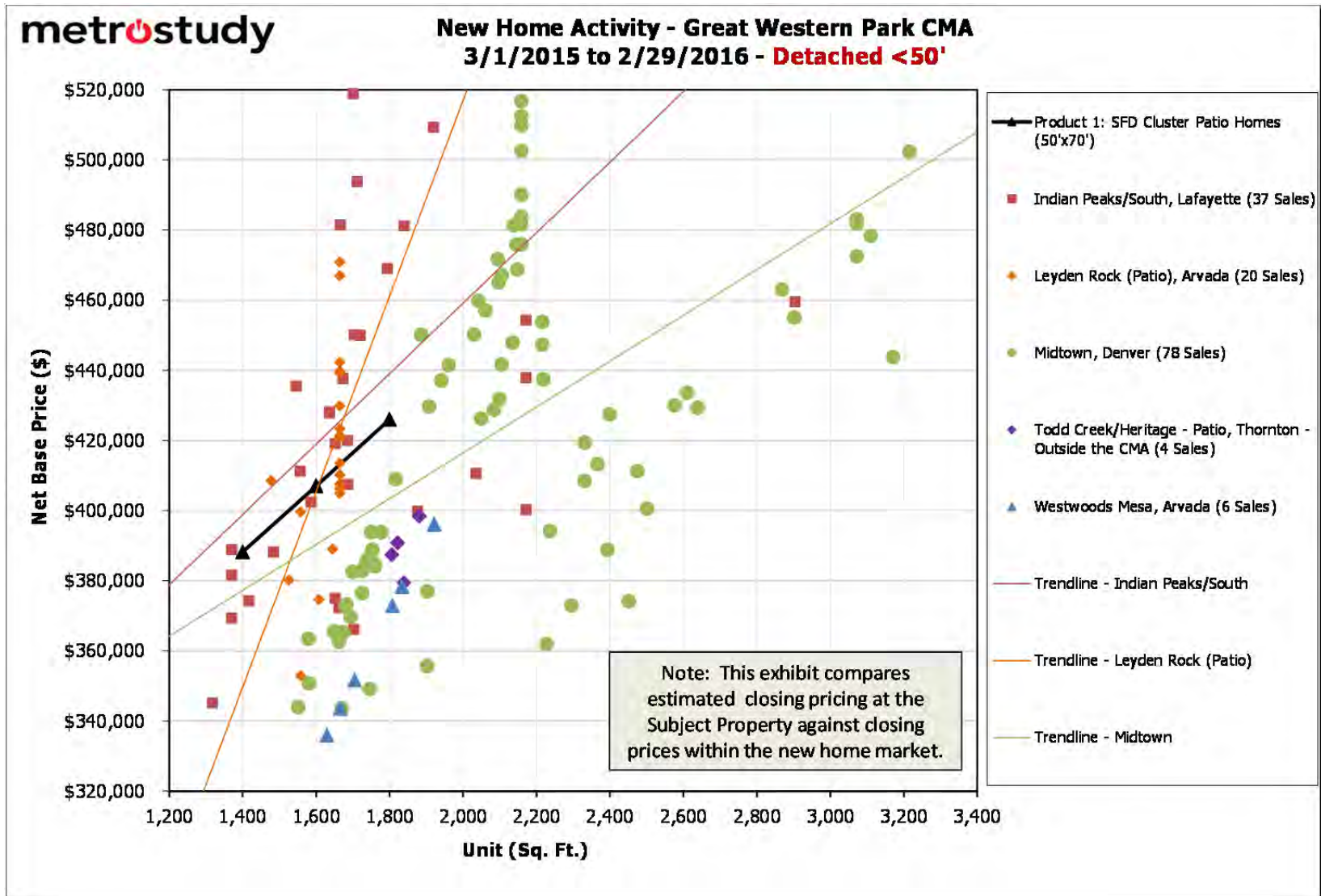


Exhibit 37 : CMA Price Position Graph - Single-Family <50' Resale Activity

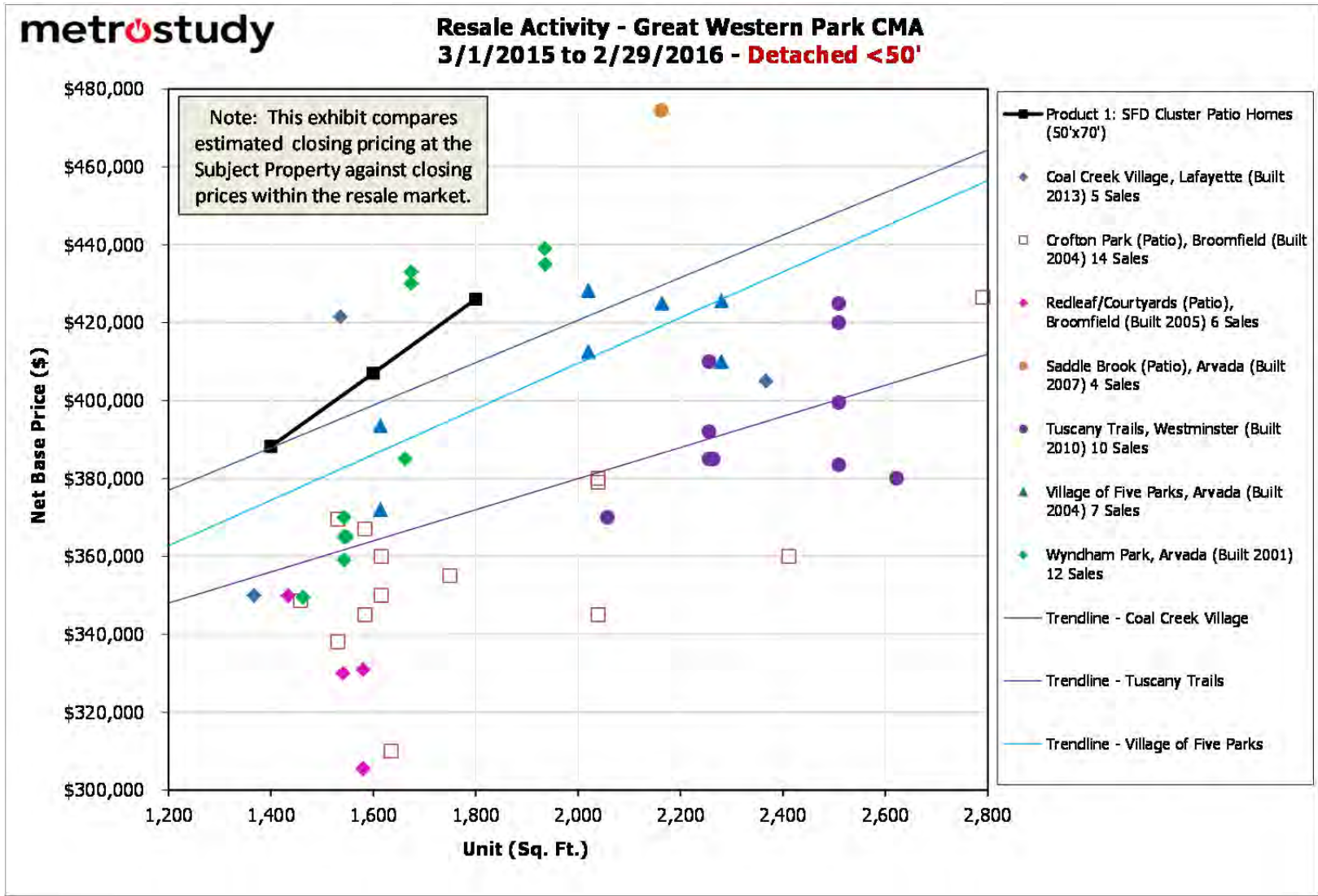


Exhibit 38 : CMA Comparable Subdivisions - Single-Family 50' to 59' Product

Great Western Park CMA Market Rate Competitive Positioning - Single Family Detached 50' to 59'																	
Project Name/Community Area/Lot Size/Builder	Planned Units	Occ.	Avg. Mon'ly / Last Ann.	Plan Name	Unit			Base Price	Incen's	Base Tax Rate	Ann. HOA	Net Base Price	Price / Sq.Ft.				
					Bed- Bath	Floors- Parking	Size (Sq.Ft.)										
1 Anthem Colorado/Highlands	55	38	2.1	Outlook	3 - 2.0	1 - 2	2,203	\$479,500	(\$5,000)	\$5,836	\$1,554	\$474,500	\$215				
Broomfield		69.1%	25	Grandview	3 - 2.5	1 - 2	2,443	\$498,500	(\$5,000)	\$6,070	\$1,554	\$493,500	\$202				
SF Detached - Avg. 55 x 125			3.0	Cornerstone	3 - 2.5	2 - 2	2,606	\$489,500	(\$5,000)	\$5,959	\$1,554	\$484,500	\$186				
Standard Pacific			36	Horizon	4 - 3.0	2 - 3	2,804	\$505,500	(\$5,000)	\$6,156	\$1,554	\$500,500	\$178				
<i>Note: Filing 15</i>				Oberon	4 - 4.0	2 - 3	2,896	\$528,500	(\$5,000)	\$6,439	\$1,554	\$523,500	\$181				
Averages							2,590	\$500,300	(\$5,000)	\$6,092	\$1,554	\$495,300	\$193				
2 Anthem Colorado/Highlands	113	79	1.5	Alcott	3 - 2.0	1 - 2	1,953	\$432,950	\$0	\$4,330	\$1,554	\$432,950	\$222				
Broomfield		69.9%	18	Skylar	4 - 2.5	2 - 2	2,461	\$456,950	\$0	\$4,570	\$1,554	\$456,950	\$186				
SF Detached - Avg. 55 x 105			2.4	Hemingway	4 - 2.5	2 - 2	2,492	\$458,950	\$0	\$4,590	\$1,554	\$458,950	\$184				
Richmond American			29	Alison	4 - 2.5	2 - 2	2,522	\$454,950	\$0	\$4,550	\$1,554	\$454,950	\$180				
<i>Note: Filing 21</i>				Steinbeck	4 - 2.5	2 - 2	2,634	\$458,950	\$0	\$4,590	\$1,554	\$458,950	\$174				
Averages							2,412	\$452,550	\$0	\$4,526	\$1,554	\$452,550	\$189				
3 Anthem Colorado/Anthem Ranch - Patio	135	50	2.5	Logan	2 - 2.0	1 - 2	1,602	\$397,995	\$0	\$4,776	\$2,000	\$397,995	\$248				
Broomfield		37.0%	30	Carson	2 - 2.0	1 - 2	1,725	\$411,995	\$0	\$4,944	\$2,000	\$411,995	\$239				
SF Patio - Avg. 55 x 110			2.7	Wakefield	2 - 2.0	1 - 2	1,882	\$429,995	\$0	\$5,160	\$2,000	\$429,995	\$228				
Toll Brothers			32	Lindsey	2 - 2.0	1 - 2	1,893	\$414,995	\$0	\$4,980	\$2,000	\$414,995	\$219				
<i>Note: Filing 22, age targeted community</i>				Fairplay	2 - 2.0	1 - 2	2,075	\$424,995	\$0	\$5,100	\$2,000	\$424,995	\$205				
Averages							1,835	\$415,995	\$0	\$4,992	\$2,000	\$415,995	\$228				
4 Candelas	127	97	2.4	4010	2 - 2.0	1 - 2	1,902	\$395,950	(\$15,000)	\$5,143	\$0	\$380,950	\$200				
Arvada		76.4%	29	4022	3 - 2.5	2 - 2	2,153	\$400,950	(\$15,000)	\$5,210	\$0	\$385,950	\$179				
SF Detached - Avg. 50 x 120			3.0	4511	2 - 2.0	1 - 3T	2,332	\$436,950	(\$15,000)	\$5,696	\$0	\$421,950	\$181				
Century Communities			36	4023	3 - 2.5	2 - 3T	2,357	\$415,950	(\$15,000)	\$5,413	\$0	\$400,950	\$170				
<i>Note: Filing 1, HOA in metrodistric tax</i>				4014	3 - 2.5	2 - 3T	2,458	\$430,950	(\$15,000)	\$5,615	\$0	\$415,950	\$169				
				4020	4 - 2.5	2 - 3T	2,854	\$443,950	(\$15,000)	\$5,791	\$0	\$428,950	\$150				
				4030	3 - 2.5	2 - 3T	2,945	\$456,950	(\$15,000)	\$5,966	\$0	\$441,950	\$150				
Averages							2,429	\$425,950	(\$15,000)	\$5,548	\$0	\$410,950	\$171				
5 Candelas	89	62	3.4	Landscape	2 - 2.0	1 - 2	1,711	\$381,990	(\$8,000)	\$5,049	\$0	\$373,990	\$219				
Arvada		69.7%	41	Bliss	3 - 2.0	1 - 2	1,829	\$393,990	(\$8,000)	\$5,211	\$0	\$385,990	\$211				
SF Detached - Avg. 55 x 110-120			2.3	Collage	3 - 2.5	2 - 2	1,871	\$390,990	(\$8,000)	\$5,170	\$0	\$382,990	\$205				
CalAtlantic Homes			28	Overlook	3 - 3.0	2 - 2	2,056	\$398,990	(\$8,000)	\$5,278	\$0	\$390,990	\$190				
<i>Note: Filing 1, HOA in metrodistric tax</i>				Vista	3 - 2.5	2 - 3	2,189	\$408,990	(\$8,000)	\$5,413	\$0	\$400,990	\$183				
				Scene	3 - 2.5	2 - 3	2,368	\$426,990	(\$8,000)	\$5,656	\$0	\$418,990	\$177				
Averages							2,004	\$400,323	(\$8,000)	\$5,296	\$0	\$392,323	\$197				
6 Candelas	112	26	1.0	Ellington	3 - 2.5	1 - 3	2,139	\$404,900	(\$7,000)	\$5,372	\$0	\$397,900	\$186				
Arvada		23.2%	12	Gentry	3 - 2.5	1 - 3	2,257	\$428,900	(\$7,000)	\$5,696	\$0	\$421,900	\$187				
SF Detached - Avg. 55 x 120			1.3	Timberlake	3 - 4.0	2 - 3	2,896	\$448,900	(\$7,000)	\$5,966	\$0	\$441,900	\$153				
Village Homes			15	Winwood	3 - 3.5	2 - 3	3,109	\$471,900	(\$7,000)	\$6,276	\$0	\$464,900	\$150				
<i>Note: Filings 1 and 2, HOA metrodst.</i>				Averages							2,600	\$438,650	(\$7,000)	\$5,827	\$0	\$431,650	\$169

Great Western Park CMA Market Rate Competitive Positioning - Single Family Detached 50' to 59'													
Project Name/Community Area/Lot Size/Builder	Planned Units	Occ.	Avg. Mon'ly / Last Ann.	Plan Name	Unit			Base Price	Incen's	Base Tax Rate	Ann. HOA	Net Base Price	Price / Sq.Ft.
					Bed- Bath	Floors- Parking	Size (Sq.Ft.)						
7 Country Club Highlands	75	38 50.7%	2.2	Newbridge	2 - 2.5	1 - 2	1,949	\$480,950	\$0	\$5,050	\$3,600	\$480,950	\$247
Westminster				Aberdeen	2 - 2.0	1 - 3	2,270	\$524,950	\$0	\$5,512	\$3,600	\$524,950	\$231
SF Detached - Avg. 55 x 120-125				Livingston	2 - 2.5	1 - 3	2,282	\$517,950	\$0	\$5,438	\$3,600	\$517,950	\$227
Century Communities				Alexandria	2 - 2.5	1 - 3	2,763	\$554,950	\$0	\$5,827	\$3,600	\$554,950	\$201
<i>Note: Filings 1 and 2. 8 lots left</i>				Waterford	3 - 3.0	1 - 3	3,018	\$589,950	\$0	\$6,194	\$3,600	\$589,950	\$195
Averages										2,456	\$533,750	\$0	\$5,604
8 Indian Peaks/South	66	13 19.7%	2.3	Valmont	2 - 2.5	1 - 2	1,412	\$454,000	\$0	\$4,540	\$1,068	\$454,000	\$322
Lafayette				Georgian	3 - 2.5	2 - 2	1,664	\$449,000	\$0	\$4,490	\$1,068	\$449,000	\$270
SF Detached - Avg. 50-55 x 92-100				Alder	3 - 3.0	1 - 2	1,680	\$509,000	\$0	\$5,090	\$1,068	\$509,000	\$303
McStain Neighborhoods				Hawthorne	3 - 2.0	1 - 2	1,718	\$500,000	\$0	\$5,000	\$1,068	\$500,000	\$291
<i>Note: Filing 17</i>				Santolina	3 - 2.5	2 - 2	1,720	\$456,000	\$0	\$4,560	\$1,068	\$456,000	\$265
				Flagstaff	3 - 2.5	2 - 2	1,921	\$487,000	\$0	\$4,870	\$1,068	\$487,000	\$254
				Newland	3 - 2.5	2 - 2	1,936	\$493,000	\$0	\$4,930	\$1,068	\$493,000	\$255
				Ironwood	3 - 2.5	2 - 2	2,403	\$554,000	\$0	\$5,540	\$1,068	\$554,000	\$231
				Walden	3 - 3.5	2 - 2	2,609	\$564,000	\$0	\$5,640	\$1,068	\$564,000	\$216
Averages							1,896	\$496,222	\$0	\$4,962	\$1,068	\$496,222	\$267
9 Inspiration Colorado - Patio	35	0 0.0%	0.3	Logan	2 - 2.0	1 - 2	1,601	\$356,995	\$0	\$4,070	\$1,920	\$356,995	\$223
Aurora - Outside the CMA				Carson	2 - 2.0	1 - 2	1,714	\$365,995	\$0	\$4,172	\$1,920	\$365,995	\$214
SF Detached - Avg. 52 x 110				Wakefield	2 - 2.0	1 - 2	1,871	\$373,995	\$0	\$4,264	\$1,920	\$373,995	\$200
Toll Brothers				Lindsey	2 - 2.0	1 - 2	1,882	\$367,995	\$0	\$4,195	\$1,920	\$367,995	\$196
<i>Note: Filing 8, age targeted community</i>				Fairplay	2 - 2.0	1 - 2	1,993	\$375,995	\$0	\$4,286	\$1,920	\$375,995	\$189
Averages							1,812	\$368,195	\$0	\$4,197	\$1,920	\$368,195	\$204
10 Leyden Rock/Monarch	214	81 37.9%	2.6	Sonoma	3 - 2.5	2 - 2	1,833	\$429,900	(\$7,500)	\$5,069	\$360	\$422,400	\$230
Arvada				Graham	3 - 2.0	1 - 2	1,974	\$443,900	(\$7,500)	\$5,237	\$360	\$436,400	\$221
SF Detached - Avg. 50 x 110-120				Brookstone	3 - 2.5	2 - 2	2,245	\$440,900	(\$7,500)	\$5,201	\$360	\$433,400	\$193
Lennar Homes				Springdale	3 - 2.5	1 - 2	2,287	\$454,900	(\$7,500)	\$5,369	\$360	\$447,400	\$196
<i>Note: Filings 1, 2, and 6</i>				Monterey	3 - 2.5	2 - 2	2,492	\$453,900	(\$7,500)	\$5,357	\$360	\$446,400	\$179
				Stonehaven	3 - 2.5	2 - 2	2,748	\$470,900	(\$7,500)	\$5,561	\$360	\$463,400	\$169
				Huntington	4 - 2.5	2 - 2	3,082	\$483,900	(\$7,500)	\$5,717	\$360	\$476,400	\$155
Averages										2,380	\$454,043	(\$7,500)	\$5,359
11 Leyden Rock	126	85 67.5%	3.4	Cascade	2 - 2.0	1 - 2	1,775	\$397,990	\$0	\$4,776	\$360	\$397,990	\$224
Arvada				Keystone	3 - 2.5	2 - 3T	1,995	\$392,990	\$0	\$4,716	\$360	\$392,990	\$197
SF Detached - Avg. 50-55 x 110-120				Salida	3 - 2.5	2 - 3T	2,257	\$407,990	\$0	\$4,896	\$360	\$407,990	\$181
Meritage Homes				Frisco	3 - 2.5	2 - 3T	2,430	\$417,990	\$0	\$5,016	\$360	\$417,990	\$172
<i>Note: Filings 1 and 5</i>				Telluride	3 - 2.5	2 - 3T	2,685	\$436,990	\$0	\$5,244	\$360	\$436,990	\$163
Averages							2,228	\$410,790	\$0	\$4,929	\$360	\$410,790	\$187
12 Leyden Rock/Garden - Patio	24	14 58.3%	0.9	Sagewood	2 - 2.0	1 - 2	1,818	\$406,400	(\$3,000)	\$4,841	\$1,392	\$403,400	\$222
Arvada				Lantana	2 - 2.5	1 - 2	1,968	\$417,400	(\$3,000)	\$4,973	\$1,392	\$414,400	\$211
SF Patio - Avg. 50 x 110				Indigo	2 - 2.5	1 - 2	2,060	\$424,400	(\$3,000)	\$5,057	\$1,392	\$421,400	\$205
Village Homes				Calla	3 - 3.0	1 - 2	2,087	\$426,400	(\$3,000)	\$5,081	\$1,392	\$423,400	\$203
<i>Note: Filing 4</i>				Preston	2 - 2.5	1 - 2	2,468	\$440,400	(\$3,000)	\$5,249	\$1,392	\$437,400	\$177
Averages										2,080	\$423,000	(\$3,000)	\$5,040

Great Western Park CMA Market Rate Competitive Positioning - Single Family Detached 50' to 59'

Project Name/Community Area/Lot Size/Builder	Planned Units	Occ.	Avg. Mon'ly / Last Ann.	Unit				Base Price	Incen's	Base Tax Rate	Ann. HOA	Net Base Price	Price / Sq.Ft.			
				Plan Name	Bed- Bath	Floors- Parking	Size (Sq.Ft.)									
13 Skystone - Patio	157	64 40.8%	4.8	Flagstone	2 - 2.0	1 - 2	1,584	\$377,990	(\$5,000)	\$4,662	\$1,020	\$372,990	\$235			
Broomfield				2 - 2.0	1 - 2	1,778	\$392,990	(\$5,000)	\$4,850	\$1,020	\$387,990	\$218				
SF Patio - Avg. 50 x 100-110				2 - 2.5	1 - 2	2,035	\$410,990	(\$5,000)	\$5,075	\$1,020	\$405,990	\$200				
Taylor Morrison				2 - 2.5	1 - 2	2,247	\$424,990	(\$5,000)	\$5,250	\$1,020	\$419,990	\$187				
<i>Note: Filing 4. age targeted community, HOA will be 125/month in May</i>				Averages			1,911	\$401,740	(\$5,000)	\$4,959	\$1,020	\$396,740	\$210			
14 Todd Creek/Heritage - Patio	116	0 0.0%	0.0	Hamilton	3 - 2.0	1 - 3	1,887	\$462,900	\$0	\$5,323	\$1,740	\$462,900	\$245			
Thornton - Outside the CMA				3 - 2.0	1 - 3	2,090	\$477,900	\$0	\$5,496	\$1,740	\$477,900	\$229				
SF Patio - Avg. 50 x 120				3 - 2.5	1 - 3	2,156	\$482,900	\$0	\$5,553	\$1,740	\$482,900	\$224				
Lennar Homes				3 - 2.0	1 - 3	2,387	\$493,900	\$0	\$5,680	\$1,740	\$493,900	\$207				
<i>Note: Filing 1. age targeted community</i>				Redford	4 - 3.0	1 - 3	2,541	\$514,900	\$0	\$5,921	\$1,740	\$514,900	\$203			
Gable				3 - 3.0	1 - 3	2,749	\$535,900	\$0	\$6,163	\$1,740	\$535,900	\$195				
				Averages			2,302	\$494,733	\$0	\$5,689	\$1,740	\$494,733	\$217			
15 Westwoods Mesa	62	21 33.9%	1.5	Alcott	3 - 2.0	1 - 2	1,292	\$363,995	(\$500)	\$2,908	\$540	\$363,495	\$281			
Arvada				3 - 2.0	1 - 2	1,573	\$378,495	(\$500)	\$3,024	\$540	\$377,995	\$240				
SF Detached - Avg. 50 x 100				3 - 2.0	1 - 2	1,761	\$386,995	(\$500)	\$3,092	\$540	\$386,495	\$219				
KB Home				3 - 2.5	2 - 2	1,871	\$375,995	(\$500)	\$3,004	\$540	\$375,495	\$201				
<i>Note: Filings 1, 2 and 3</i>				Kipling	3 - 2.5	2 - 2	2,484	\$392,995	(\$500)	\$3,140	\$540	\$392,495	\$158			
Lewis				3 - 2.5	2 - 2	2,493	\$419,995	(\$500)	\$3,356	\$540	\$419,495	\$168				
Montgomery				4 - 2.5	2 - 2	2,623	\$405,995	(\$500)	\$3,244	\$540	\$405,495	\$155				
				Averages			2,014	\$389,209	(\$500)	\$3,110	\$540	\$388,709	\$203			
<u>Competitive Market Area Summary:</u>																
Planned	1,506		30.9	Avg. Monthly	Min.	1,292	\$356,995	(\$15,000)	\$2,908	\$0	\$356,995	\$150				
Occ.	668		371	Last Ann. Start	Max.	3,109	\$589,950	\$0	\$6,439	\$3,600	\$589,950	\$322				
Remaining	838		28.9	Avg. Monthly	Average	2,186	\$442,414	(\$3,494)	\$5,044	\$1,086	\$438,920	\$206				
			347	Last Ann. Close	Median	2,153	\$432,950	(\$500)	\$5,143	\$1,068	\$428,950	\$201				

Exhibit 39 : CMA Price Position Graph - Single-Family 50' to 59' New Home Base Prices

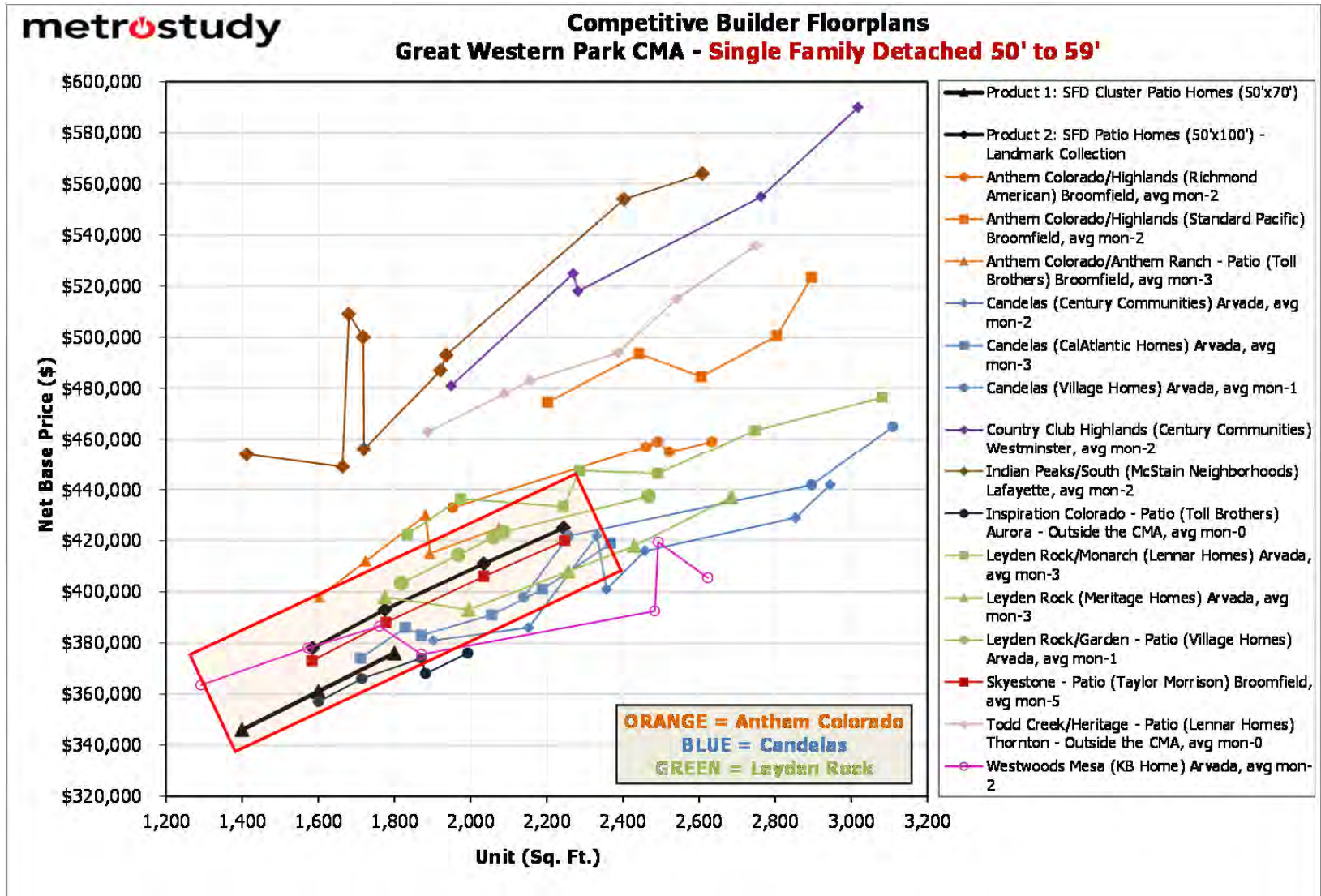


Exhibit 40 : CMA Price Position Graph - Single-Family 50' to 59' New Home Closing Prices

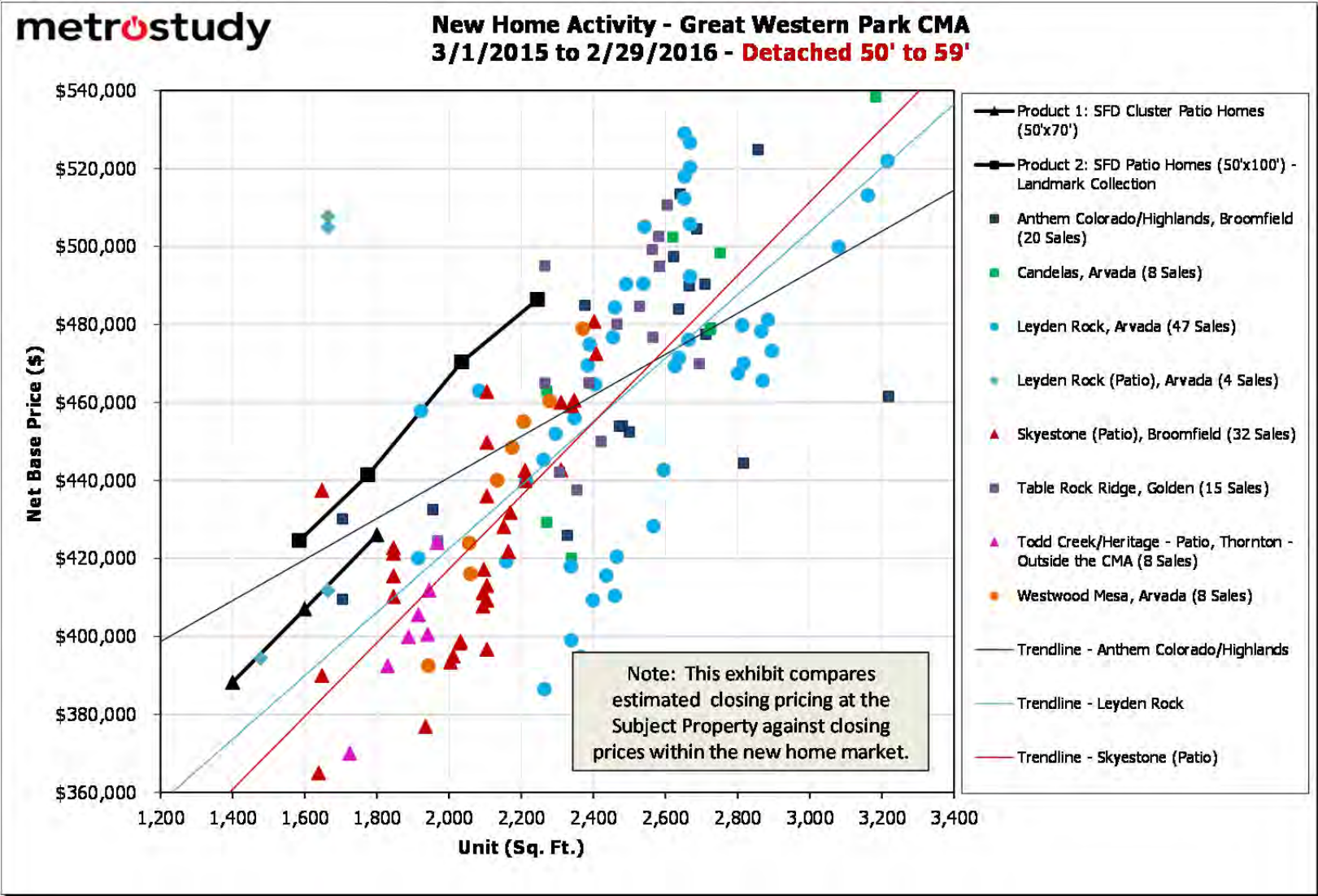


Exhibit 41 : CMA Price Position Graph - Single-Family 50' to 59' Resale Activity

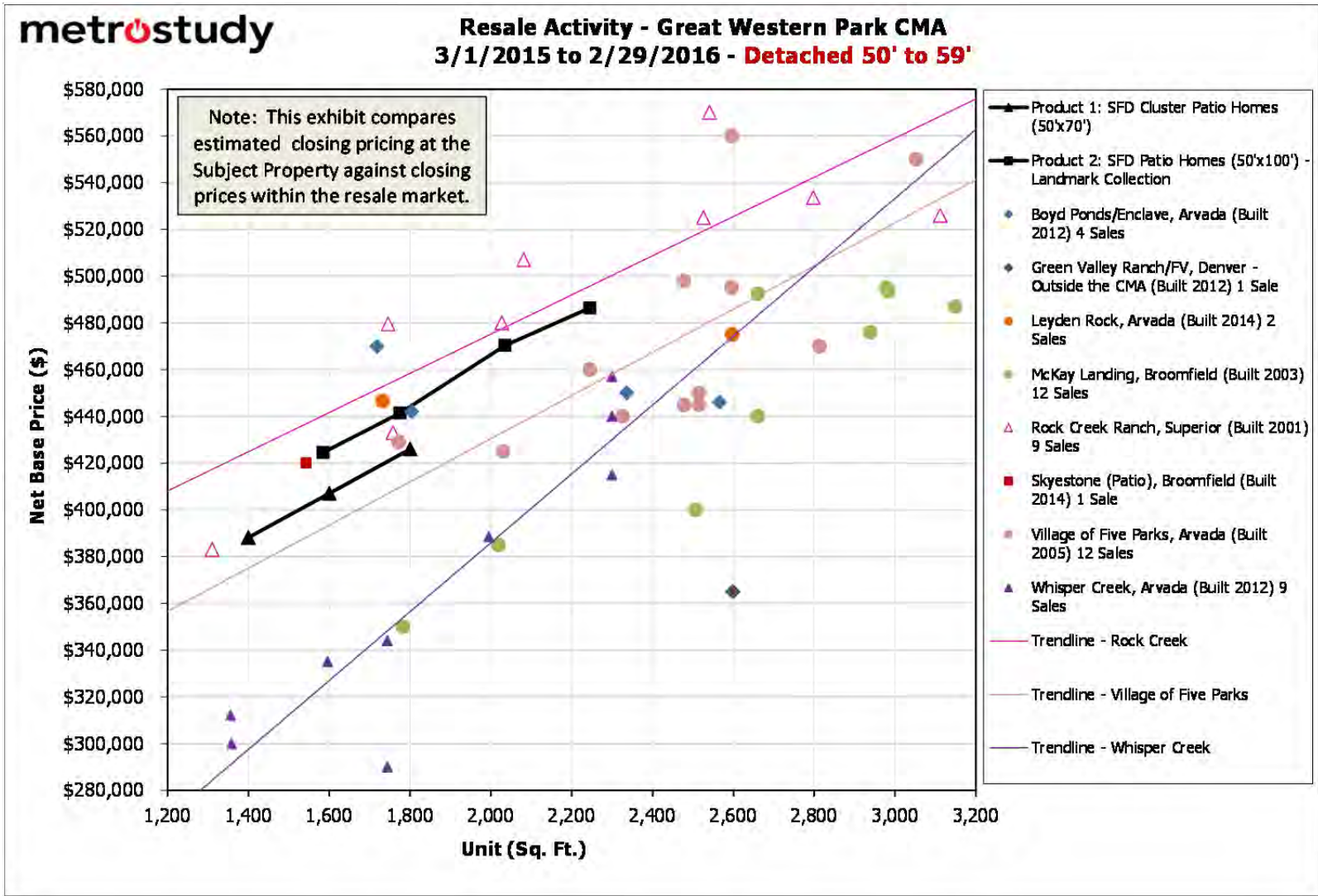


Exhibit 42 : CMA Comparable Subdivisions - Single-Family 60' to 69' Product

Great Western Park CMA Market Rate Competitive Positioning - Single Family Detached 60' to 69'													
Project Name/Community Area/Lot Size/Builder	Planned Units	Occ.	Avg. Mon'ly / Last Ann.	Plan Name	Unit			Base Price	Incen's	Base Tax Rate	Ann. HOA	Net Base Price	Price / Sq.Ft.
					Bed- Bath	Floors- Parking	Size (Sq.Ft.)						
1 Anthem Colorado/Highlands Broomfield SF Detached - Avg. 65 x 120 Richmond American <i>Note: Filing 21</i>	68	61 89.7%	2.1 25 3.3 40	Alcott	3 - 2.0	1 - 2	1,953	\$432,950	\$0	\$4,330	\$1,590	\$432,950	\$222
				Skylar	4 - 2.5	2 - 2	2,461	\$456,950	\$0	\$4,570	\$1,590	\$456,950	\$186
				Hemingway	4 - 2.5	2 - 2	2,492	\$458,950	\$0	\$4,590	\$1,590	\$458,950	\$184
				Alison	4 - 2.5	2 - 2	2,522	\$454,950	\$0	\$4,550	\$1,590	\$454,950	\$180
				Steinbeck	4 - 2.5	2 - 2	2,634	\$458,950	\$0	\$4,590	\$1,590	\$458,950	\$174
				Averages						2,412	\$452,550	\$0	\$4,526
2 Anthem Colorado/Highlands Broomfield SF Detached - Avg. 65 x 120 Standard Pacific <i>Note: Filing 21</i>	41	40 97.6%	0.3 4 1.5 18	Ascent	3 - 3.5	1 - 2	2,508	\$552,990	(\$5,000)	\$6,740	\$1,554	\$547,990	\$218
				Gallery	4 - 3.0	2 - 3	2,719	\$535,990	(\$5,000)	\$6,531	\$1,554	\$530,990	\$195
				Landmark	3 - 2.5	2 - 3	2,967	\$574,990	(\$5,000)	\$7,011	\$1,554	\$569,990	\$192
				Milestone	4 - 4.0	2 - 3	3,132	\$566,990	(\$5,000)	\$6,912	\$1,554	\$561,990	\$179
				Origin	4 - 3.5	2 - 3	3,534	\$602,990	(\$5,000)	\$7,355	\$1,554	\$597,990	\$169
				Averages						2,972	\$566,790	(\$5,000)	\$6,910
3 Anthem Colorado/Anthem Ranch - Patio Broomfield SF Patio - Avg. 65 x 110-115 Toll Brothers <i>Note: Filing 22, age targeted community</i>	105	36 34.3%	1.2 14 1.9 23	Windom	2 - 2.0	1 - 2	2,014	\$477,995	(\$5,000)	\$4,730	\$2,040	\$472,995	\$235
				Trelease	2 - 2.0	1 - 2	2,189	\$489,995	(\$5,000)	\$4,850	\$2,040	\$484,995	\$222
				Pendleton	2 - 2.0	1 - 2	2,198	\$489,995	(\$5,000)	\$4,850	\$2,040	\$484,995	\$221
				Dunraven	2 - 2.0	1 - 2	2,352	\$495,995	(\$5,000)	\$4,910	\$2,040	\$490,995	\$209
				Bancroft	2 - 2.0	1 - 2	2,414	\$503,995	(\$5,000)	\$4,990	\$2,040	\$498,995	\$207
				Averages						2,233	\$491,595	(\$5,000)	\$4,866
4 Candelas Arvada SF Detached - Avg. 65 x 120 Lennar Homes <i>Note: Filing 3. Part of Metrodistrict tax</i>	101	24 23.8%	2.9 35 1.8 21	Canton	3 - 2.0	1 - 3	2,077	\$491,900	(\$7,500)	\$6,394	\$0	\$484,400	\$233
				Preston	4 - 3.0	1 - 3	2,257	\$506,900	(\$7,500)	\$6,592	\$0	\$499,400	\$221
				Somerton	4 - 3.0	1 - 2	2,528	\$535,900	(\$7,500)	\$6,975	\$0	\$528,400	\$209
				Londyn	5 - 4.0	2 - 3	2,891	\$527,900	(\$7,500)	\$6,869	\$0	\$520,400	\$180
				Silverleaf	5 - 3.0	2 - 3	3,001	\$529,900	(\$7,500)	\$6,896	\$0	\$522,400	\$174
				Peyton	4 - 3.5	2 - 3	3,359	\$545,900	(\$7,500)	\$7,107	\$0	\$538,400	\$160
				Prescott	5 - 4.0	2 - 3	3,498	\$558,900	(\$7,500)	\$7,278	\$0	\$551,400	\$158
				Averages						2,802	\$528,186	(\$7,500)	\$6,873
5 Candelas Arvada SF Detached - Avg. 60 x 120 CalAtlantic Homes <i>Note: Filing 1. HOA is metrodistrict</i>	30	28 93.3%	0.0 0 0.0 0	Landscape	2 - 2.0	1 - 2	1,711	\$381,990	(\$8,000)	\$5,049	\$0	\$373,990	\$219
				Bliss	3 - 2.0	1 - 2	1,829	\$393,990	(\$8,000)	\$5,211	\$0	\$385,990	\$211
				Collage	3 - 2.5	2 - 2	1,871	\$390,990	(\$8,000)	\$5,170	\$0	\$382,990	\$205
				Overlook	3 - 3.0	2 - 2	2,056	\$398,990	(\$8,000)	\$5,278	\$0	\$390,990	\$190
				Vista	3 - 2.5	2 - 3	2,189	\$408,990	(\$8,000)	\$5,413	\$0	\$400,990	\$183
				Scene	3 - 2.5	2 - 3	2,368	\$426,990	(\$8,000)	\$5,656	\$0	\$418,990	\$177
Averages						2,004	\$400,323	(\$8,000)	\$5,296	\$0	\$392,323	\$197	
6 Candelas Arvada SF Detached - Avg. 60-65 x 110-120 CalAtlantic Homes <i>Note: Filing 1</i>	50	44 88.0%	0.6 7 1.1 13	5035	3 - 2.5	1 - 3	2,304	\$441,995	(\$2,500)	\$5,713	\$1,320	\$439,495	\$191
				5037	3 - 3.5	1 - 3	2,458	\$460,995	(\$2,500)	\$5,960	\$1,320	\$458,495	\$187
				6022	3 - 2.5	1 - 3	2,736	\$495,995	(\$2,500)	\$6,415	\$1,320	\$493,495	\$180
				5038	4 - 3.0	2 - 3	2,748	\$459,995	(\$2,500)	\$5,947	\$1,320	\$457,495	\$166
				5039	4 - 3.0	2 - 3	2,826	\$455,995	(\$2,500)	\$5,895	\$1,320	\$453,495	\$160
				5036	3 - 2.5	2 - 3	2,848	\$453,995	(\$2,500)	\$5,869	\$1,320	\$451,495	\$159
				6026	3 - 3.5	2 - 3	3,229	\$524,995	(\$2,500)	\$6,792	\$1,320	\$522,495	\$162
				5040	4 - 3.5	2 - 3	3,262	\$475,995	(\$2,500)	\$6,155	\$1,320	\$473,495	\$145
				Averages						2,801	\$471,245	(\$2,500)	\$6,094

Great Western Park CMA Market Rate Competitive Positioning - Single Family Detached 60' to 69'

Project Name/Community Area/Lot Size/Builder	Planned Units	Occ.	Avg. Mon'ly / Last Ann.	Unit				Base Price	Incen's	Base Tax Rate	Ann. HOA	Net Base Price	Price / Sq.Ft.	
				Plan Name	Bed- Bath	Floors- Parking	Size (Sq.Ft.)							
7 Candelas	147	27	0.4	Bennett	3 - 2.5	1 - 3	2,336	\$443,900	(\$9,000)	\$5,871	\$0	\$434,900	\$186	
Arvada		18.4%	5	Currington	3 - 3.5	1 - 3	2,495	\$462,800	(\$9,000)	\$6,126	\$0	\$453,800	\$182	
SF Detached - Avg. 60-65 x 120			1.1	Easton	4 - 4.0	2 - 3	2,823	\$463,900	(\$9,000)	\$6,141	\$0	\$454,900	\$161	
Village Homes			13	Henley	3 - 3.5	2 - 3	3,246	\$483,900	(\$9,000)	\$6,411	\$0	\$474,900	\$146	
<i>Note: Filings 1 and 2. Hoa part of metrodistrict tax</i>				Averages				2,725	\$463,625	(\$9,000)	\$6,137	\$0	\$454,625	\$169
8 Green Valley Ranch/Fairway Villas - Patio	222	120	3.4	Northwood	2 - 2.0	1 - 2	1,755	\$327,800	(\$4,000)	\$5,181	\$0	\$323,800	\$185	
Denver - Outside the CMA		54.1%	41	Birchwood	2 - 2.0	1 - 2	1,861	\$334,450	(\$4,000)	\$5,287	\$0	\$330,450	\$178	
SF Patio - Avg. 65 x 100			2.7	Gleneagle	2 - 2.0	1 - 2	2,015	\$358,250	(\$4,000)	\$5,668	\$0	\$354,250	\$176	
Oakwood Homes			32	Cypress	2 - 2.0	1 - 2	2,090	\$361,800	(\$4,000)	\$5,725	\$0	\$357,800	\$171	
<i>Note: Filings 57, age targeted community</i>				Riviera	2 - 2.0	1 - 2	2,481	\$382,400	(\$4,000)	\$6,054	\$0	\$378,400	\$153	
				Pinehurst	2 - 2.0	1 - 2	2,588	\$393,950	(\$4,000)	\$6,239	\$0	\$389,950	\$151	
				Augusta	2 - 2.0	1 - 2	2,764	\$403,500	(\$4,000)	\$6,392	\$0	\$399,500	\$145	
				Averages				2,222	\$366,021	(\$4,000)	\$5,792	\$0	\$362,021	\$165
9 Inspiration Colorado/Hilltop - Patio	58	0	0.3	Windom	2 - 2.0	1 - 2	2,026	\$425,995	\$0	\$4,856	\$1,920	\$425,995	\$210	
Aurora - Outside the CMA		0.0%	4	Treleash	2 - 2.0	1 - 2	2,186	\$433,995	\$0	\$4,948	\$1,920	\$433,995	\$199	
SF Patio - Avg. 62 x 110			0.0	Pendleton	2 - 2.0	1 - 2	2,195	\$434,995	\$0	\$4,959	\$1,920	\$434,995	\$198	
Toll Brothers			0	Dunraven	2 - 2.0	1 - 2	2,313	\$439,995	\$0	\$5,016	\$1,920	\$439,995	\$190	
<i>Note: Filing 8, age targeted community</i>				Bancroft	2 - 2.0	1 - 2	2,403	\$445,995	\$0	\$5,084	\$1,920	\$445,995	\$186	
				Averages				2,225	\$436,195	\$0	\$4,973	\$1,920	\$436,195	\$197
10 Inspiration Colorado/Vistas	7	0	0.6	4A03	3 - 2.0	1 - 2	1,793	\$390,975	\$0	\$4,457	\$1,920	\$390,975	\$218	
Aurora - Outside the CMA		0.0%	7	4A04	3 - 2.0	1 - 2	1,856	\$402,975	\$0	\$4,594	\$1,920	\$402,975	\$217	
SF Detached - Avg. 65 x 120			0.0	4A05	3 - 2.0	1 - 2	1,991	\$414,975	\$0	\$4,731	\$1,920	\$414,975	\$208	
Standard Pacific			0	4A06	3 - 2.5	1 - 2	2,185	\$426,975	\$0	\$4,868	\$1,920	\$426,975	\$195	
<i>Note: Filing 3, age targeted community</i>				5A01	3 - 2.5	1 - 3	2,316	\$467,975	\$0	\$5,335	\$1,920	\$467,975	\$202	
				5A02	3 - 3.5	1 - 3	2,393	\$467,975	\$0	\$5,335	\$1,920	\$467,975	\$196	
				5A03	3 - 3.5	1 - 3	2,489	\$487,975	\$0	\$5,563	\$1,920	\$487,975	\$196	
				5A04	3 - 3.5	1 - 3	2,735	\$507,975	\$0	\$5,791	\$1,920	\$507,975	\$186	
				Averages				2,220	\$445,975	\$0	\$5,084	\$1,920	\$445,975	\$202
11 Leyden Rock/Monarch	119	16	2.8	Sonoma	3 - 2.5	2 - 2	1,833	\$429,900	(\$7,500)	\$5,069	\$360	\$422,400	\$230	
Arvada		13.4%	34	Graham	3 - 2.0	1 - 2	1,974	\$443,900	(\$7,500)	\$5,237	\$360	\$436,400	\$221	
SF Detached - Avg. 60 x 110			1.3	Brookstone	3 - 2.5	2 - 2	2,245	\$440,900	(\$7,500)	\$5,201	\$360	\$433,400	\$193	
Lennar Homes			16	Springdale	3 - 2.5	1 - 2	2,287	\$454,900	(\$7,500)	\$5,369	\$360	\$447,400	\$196	
<i>Note: Filing 5</i>				Monterey	3 - 2.5	2 - 2	2,492	\$453,900	(\$7,500)	\$5,357	\$360	\$446,400	\$179	
				Stonehaven	3 - 2.5	2 - 2	2,748	\$470,900	(\$7,500)	\$5,561	\$360	\$463,400	\$169	
				Huntington	4 - 2.5	2 - 2	3,082	\$483,900	(\$7,500)	\$5,717	\$360	\$476,400	\$155	
				Averages				2,380	\$454,043	(\$7,500)	\$5,359	\$360	\$446,543	\$192

Great Western Park CMA Market Rate Competitive Positioning - Single Family Detached 60' to 69'

Project Name/Community Area/Lot Size/Builder	Planned Units	Occ.	Avg. Mon'ly / Last Ann.	Plan Name	Unit			Base Price	Incen's	Base Tax Rate	Ann. HOA	Net Base Price	Price / Sq.Ft.
					Bed- Bath	Floors- Parking	Size (Sq.Ft.)						
12 Leyden Rock	130	86	2.6	Windom	2 - 2.5	1 - 3T	2,336	\$438,490	\$0	\$5,262	\$360	\$438,490	\$188
Arvada		66.2%	31	Shavano	3 - 3.0	1 - 3	2,710	\$461,490	\$0	\$5,538	\$360	\$461,490	\$170
SF Detached - Avg. 60-65 x 110-120			2.7	Glenwood	3 - 2.5	2 - 3T	3,047	\$461,490	\$0	\$5,538	\$360	\$461,490	\$151
Meritage Homes			32	Crestone	4 - 3.0	2 - 3	3,259	\$476,490	\$0	\$5,718	\$360	\$476,490	\$146
<i>Note: Filings 1 and 5</i>				Ellingwood	4 - 3.0	2 - 3	3,306	\$483,490	\$0	\$5,802	\$360	\$483,490	\$146
				Antero	4 - 3.0	2 - 3T	3,420	\$484,490	\$0	\$5,814	\$360	\$484,490	\$142
Averages							3,013	\$467,657	\$0	\$5,612	\$360	\$467,657	\$157
13 Leyden Rock - Patio	88	13	0.8	215	3 - 2.0	1 - 2	1,690	\$402,950	\$0	\$4,835	\$1,380	\$402,950	\$238
Arvada		14.8%	10	230	3 - 2.5	1 - 3	2,043	\$433,950	\$0	\$5,207	\$1,380	\$433,950	\$212
SF Patio - Avg. 60 x 110			1.1	250	3 - 2.5	1 - 3	2,218	\$437,950	\$0	\$5,255	\$1,380	\$437,950	\$197
Remington Homes			13	260	3 - 2.5	1 - 3	3,251	\$483,950	\$0	\$5,807	\$1,380	\$483,950	\$149
<i>Note: Filings 3 and 6</i>				280	3 - 2.5	1 - 3	3,280	\$488,950	\$0	\$5,867	\$1,380	\$488,950	\$149
Averages							2,496	\$449,550	\$0	\$5,395	\$1,380	\$449,550	\$189
14 Skyestone - Patio	92	34	0.8	Apex	2 - 2.5	1 - 3	2,191	\$433,990	(\$5,000)	\$5,362	\$1,020	\$428,990	\$196
Broomfield		37.0%	10	Peak	2 - 2.5	1 - 3	2,404	\$448,990	(\$5,000)	\$5,550	\$1,020	\$443,990	\$185
SF Patio - Avg. 60-65 x 100-105			2.1	Summit	2 - 2.5	1 - 3	2,588	\$478,990	(\$5,000)	\$5,925	\$1,020	\$473,990	\$183
Taylor Morrison			25	Promontory	3 - 3.0	1 - 3	2,858	\$501,990	(\$5,000)	\$6,212	\$1,020	\$496,990	\$174
<i>Note: Filing 4, age targeted community, HOA will be 125/month i</i>													
Averages							2,510	\$465,990	(\$5,000)	\$5,762	\$1,020	\$460,990	\$184
15 Todd Creek/Heritage - Patio	253	101	5.8	Abbey	2 - 2.0	1 - 2	1,671	\$414,900	\$0	\$4,771	\$1,740	\$414,900	\$248
Thornton - Outside the CMA		39.9%	69	Oxford	3 - 2.0	1 - 2	1,749	\$425,900	\$0	\$4,898	\$1,740	\$425,900	\$244
SF Patio - Avg. 60 x 120			6.4	Hamilton	3 - 2.0	1 - 3	1,887	\$462,900	\$0	\$5,323	\$1,740	\$462,900	\$245
Lennar Homes			77	Devon	3 - 2.0	1 - 2	1,988	\$436,900	\$0	\$5,024	\$1,740	\$436,900	\$220
<i>Note: Filing 1</i>				Cooper	3 - 2.0	1 - 3	2,090	\$477,900	\$0	\$5,496	\$1,740	\$477,900	\$229
				Hepburn	3 - 2.5	1 - 3	2,156	\$482,900	\$0	\$5,553	\$1,740	\$482,900	\$224
				Ascott	3 - 2.5	1 - 2	2,301	\$455,900	\$0	\$5,243	\$1,740	\$455,900	\$198
				Newman	3 - 2.0	1 - 3	2,387	\$493,900	\$0	\$5,680	\$1,740	\$493,900	\$207
				Redford	4 - 3.0	1 - 3	2,541	\$514,900	\$0	\$5,921	\$1,740	\$514,900	\$203
				Gable	3 - 3.0	1 - 3	2,749	\$535,900	\$0	\$6,163	\$1,740	\$535,900	\$195
Averages							2,152	\$470,200	\$0	\$5,407	\$1,740	\$470,200	\$221
<u>Competitive Market Area Summary:</u>													
Planned	1,511		24.7	Avg. Monthly	Min.		1,671	\$327,800	(\$9,000)	\$4,330	\$0	\$323,800	\$142
Occ.	630		296	Last Ann. Start	Max.		3,534	\$602,990	\$0	\$7,355	\$2,040	\$597,990	\$248
Remaining	881		26.9	Avg. Monthly	Average		2,459	\$460,731	(\$3,337)	\$5,609	\$1,027	\$457,394	\$190
			323	Last Ann. Close	Median		2,398	\$459,473	(\$2,500)	\$5,544	\$1,320	\$457,223	\$189

Exhibit 43 : CMA Price Position Graph - Single-Family 60' to 69' New Home Base Prices

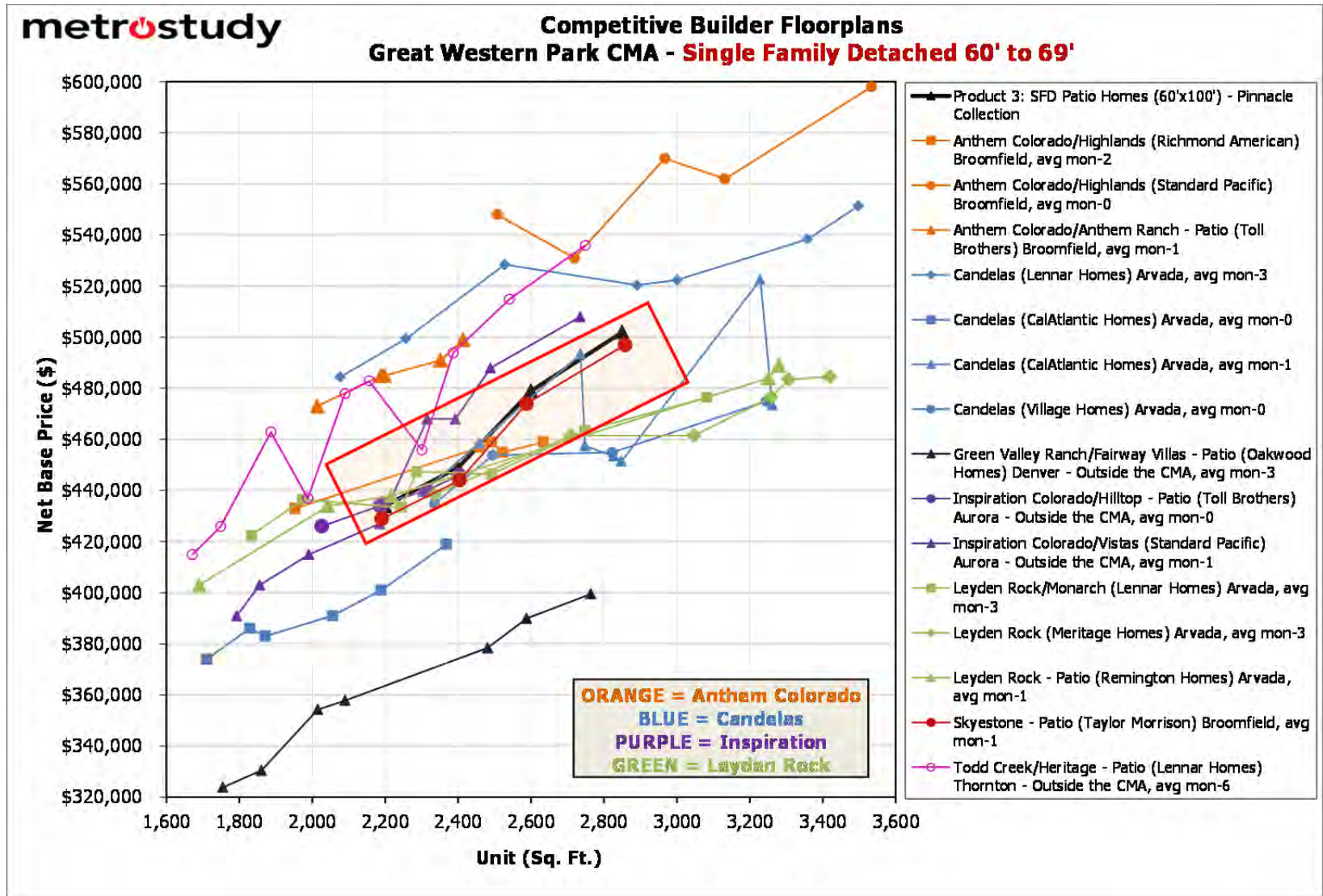


Exhibit 44 : CMA Price Position Graph - Single-Family 60' to 69' New Home Closing Prices

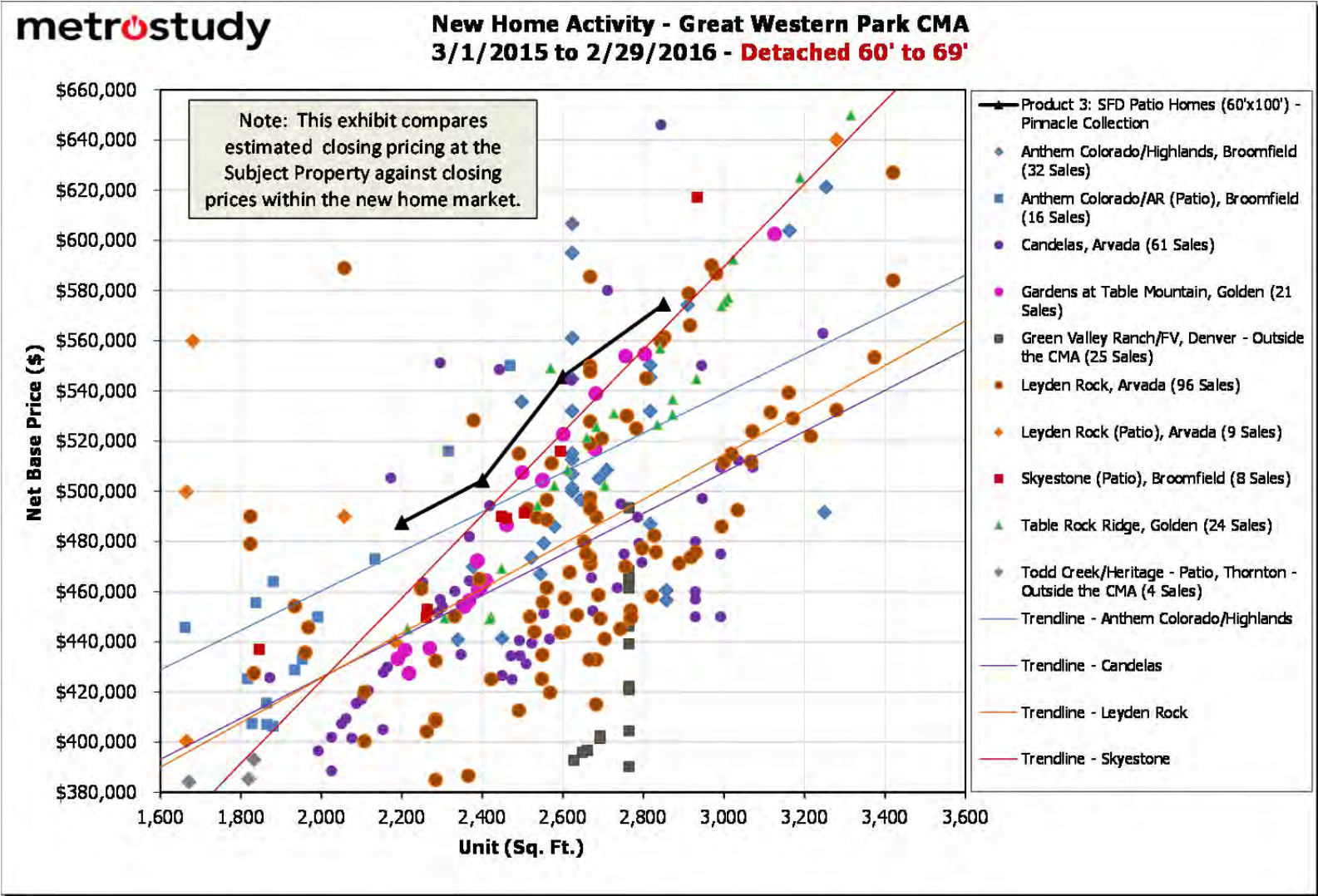
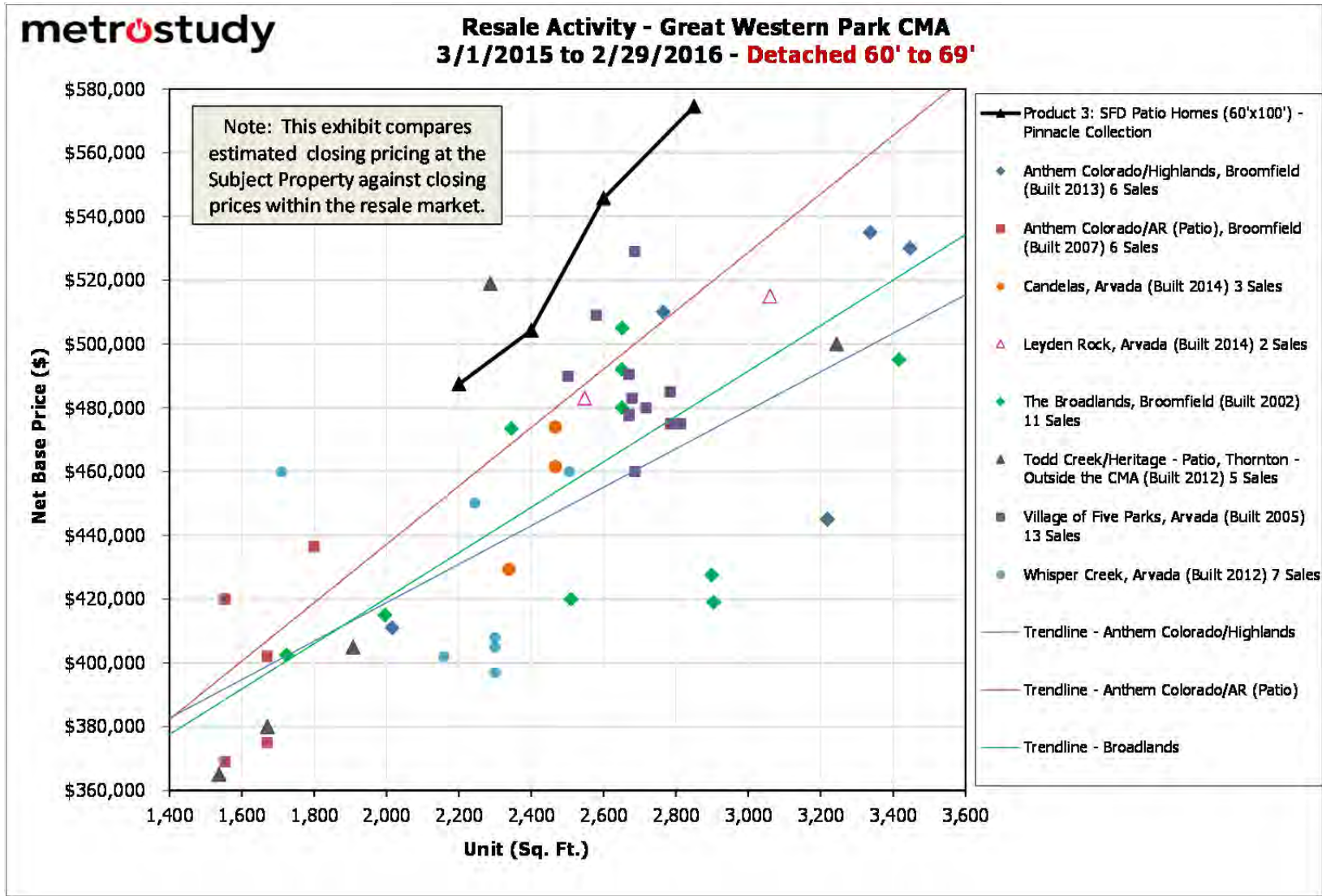


Exhibit 45 : CMA Price Position Graph - Single-Family 60' to 69' Resale Activity



Disclaimer:

It is understood by Great Western Park Metropolitan District (“Client”) that Metrostudy can make no guarantees about the recommendations in this study, primarily because these recommendations must be based and in some cases inferred from facts discovered by Metrostudy during the course of the study. To protect the Client and to assure that Metrostudy’s research results will continue to be accepted as objective and impartial by the business community, it is understood that Metrostudy’s fee for this study is in no way dependent upon the specific conclusions reached or the nature of the advice given in this report.

Reasonable efforts have been made to ensure that the data contained in this study reflect the most accurate and timely information possible and are believed to be reliable. This study is based on estimates, assumptions and other information developed by Metrostudy from its independent research effort, general knowledge of the industry and consultations with the Client and its representatives. No responsibility is assumed for inaccuracies in reporting by the Client, its agents and representatives or any other data source used in preparing or presenting this study. This report is based on market-wide information that was current as of the end of 4Q2015 and Metrostudy has not undertaken any update of its research effort since such date. Competitive project information was surveyed as of April 12, 2016 through onsite field visits and discussions with third parties. This information includes reported units released, pricing, incentives, and market entry dates for future planned communities. While every reasonable effort was made to collect this information and it is deemed reliable, it cannot be guaranteed for accuracy.

Our report may contain prospective financial information, estimates, or opinions that represent our view of reasonable expectations at a particular point in time, but such information, estimates or opinions are not offered as predictions or as assurances that events will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report and the variations may be material. Therefore, Metrostudy makes no warranty or representation that any of the projected values or results in this study will actually be achieved.

This market analysis was prepared by Metrostudy, a consulting firm and the nation's leading provider of primary and secondary market information to the housing, retail, and related industries nationwide.



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APPENDIX D

ECONOMIC AND DEMOGRAPHIC INFORMATION

The following information is provided to give prospective investors general information concerning selected economic and demographic conditions existing in the larger metropolitan area within which the District is located. The statistics presented below have been obtained from the referenced sources and represent the most current information available from such sources; however, certain of the information is released only after a significant amount of time has passed since the most recent date of the reported data and therefore, such information may not be indicative of economic and demographic conditions as they currently exist or conditions which may be experienced in the near future. Further, the reported data has not been adjusted to reflect economic trends, notably inflation. Finally, other economic and demographic information not presented herein may be available concerning the area in which the District is located and prospective investors may want to review such information prior to making their investment decision. *The following information is not to be relied upon as a representation or guarantee of the District or its officers, employees or advisors.*

Population

The following table sets forth population statistics for the City and County of Broomfield (“Broomfield”), the Denver metropolitan statistical area and the State of Colorado (the “State”).

Year	Population					
	Broomfield ¹	Percent Change	DMSA	Percent Change	State of Colorado	Percent Change
1970	7,261	--	1,238,273	--	2,207,259	--
1980	20,730	185.50%	1,618,461	30.70%	2,889,964	30.93%
1990	24,638	18.85	1,848,319	14.20	3,294,394	13.99
2000	38,272	55.34	2,401,501	29.93	4,301,261	30.56
2010	55,889	46.03	2,784,228	15.94	5,029,196	16.92
2014 ²	61,826	10.62	3,011,536	8.16	5,353,471	6.45

¹ Pursuant to voter authorization, the City of Broomfield became the City and County of Broomfield on November 15, 2001. Prior to that date, the City of Broomfield was located in four counties: Adams, Boulder, Jefferson and Weld.

² Estimate.

Sources: U.S. Department of Commerce, Bureau of the Census, and Colorado Division of Local Government, Demography Section

Income

The following tables set forth historical median household effective buying income (“EBI”), the percentage of households by classification of EBI and per capita personal income for Broomfield, the State and the United States.

Median Household Effective Buying Income ¹

	2012	2013	2014	2015	2016
Broomfield	\$58,852	\$53,371	\$60,661	\$67,968	\$68,130
State of Colorado	43,515	43,718	47,469	49,949	52,345
United States	41,253	41,358	43,715	45,448	46,738

¹ Calculated as of January 1.

Source: The Nielsen Company, *Site Reports*, 2012-2016

Percent of Households by Effective Buying Income Groups—2016 ¹

	Less Than \$25,000	\$25,000- \$49,999	\$50,000- \$99,999	\$100,000- \$149,999	\$150,000 or more
Broomfield	14.52%	21.01%	37.34%	17.86%	9.28%
State of Colorado	20.38	27.70	33.85	11.61	6.45
United States	24.81	28.82	31.30	9.45	5.62

¹ May not total 100% due to rounding. As of January 1.

Source: The Nielsen Company, *Site Reports*, 2016

Per Capita Personal Income

	2010	2011	2012	2013	2014
Broomfield	\$69,173	\$72,922	\$75,810	\$73,627	\$77,030
State of Colorado	41,877	44,349	46,402	46,746	48,869
United States	40,277	42,453	44,266	44,438	46,049

Source: United States Department of Commerce, Bureau of Economic Analysis

School Enrollment

The following table presents a five-year history of school enrollment for the Jefferson County School District R1, the primary school district serving the District.

Jefferson County School District R1

Year	Fall Enrollment	Percent Increase
2011/2012	85,751	--
2012/2013	85,508	(0.28)%
2013/2014	85,983	0.55
2014/2015	86,547	0.66
2015/2016	86,708	0.19

Source: Colorado Department of Education

Housing Stock

The following table sets forth information on housing units in Broomfield.

	Housing Units		Percent Change
	2010	2014 ¹	
Broomfield	22,646	25,667	13.34%

¹ Estimate.

Source: U.S. Department of Commerce, Bureau of the Census

According to the U.S. Department of Commerce-Census Bureau (the “Census Bureau”), nationwide, annually housing starts in 2015 were up approximately 13.5% from 2014. Housing start estimates in the State reflect an increase of approximately 6.4% from 2014 to 2015. The Census Bureau also reports that nationally an estimated 501,000 new homes were sold in 2015. This is 14.5% ($\pm 4.5\%$) above the 2014 figure of 437,000.

On a national level, year-to-date housing starts for March 2016 were up approximately 6.8% compared to the same time period ended March 2015. Housing start estimates in the State reflect an increase of approximately 17.8% for that same time period. With respect to new home sales, the Census Bureau reports that, nationally new home sales in 2015 were up approximately 14.5% from 2014, with new home sales up approximately 5.4% for the month of March 2016 as compared to March 2015, and new home sales also up approximately 1.3% year-to-date through March 2016.

On April 26, 2016, S&P Dow Jones Indices released the latest results for the S&P/Case-Shiller Home Price Indices (February 2016). The data show that home prices continued their rise across the country over the last 12 months. The S&P/Case-Shiller U.S. National Home Price Index, covering all nine U.S. census divisions, recorded a 5.3% annual gain in February, unchanged from the previous month. The 10-City Composite increased 4.6% in the year to February, compared to 5.0% previously. The 20-City Composite’s year-over-year gain was 5.4%, down from 5.7% the prior month.

Portland, Seattle, and Denver reported the highest year-over-year gains among the 20 cities with another month of annual price increases. Portland led the way with an 11.9% year-over-year price increase, followed by Seattle with 11.0%, and Denver with a 9.7% increase. Seven cities reported greater price increases in the year ending February 2016 versus the year ending January 2016.

Before seasonal adjustment, the National Index posted a gain of 0.2% month-over-month in February. The 10-City Composite recorded a 0.1% month-over-month increase while the 20-City Composite posted a 0.2% increase in February. After seasonal adjustment, the National Index recorded a 0.4% month-over-month increase. The 10-City Composite posted a 0.6% increase and the 20-City Composite reported a 0.7% month-over-month increase after seasonal adjustment. Fourteen of 20 cities reported increases in February before seasonal adjustment; after seasonal adjustment, only 10 cities increased for the month. Home price indices in Denver increased approximately 1.5% for the same time period.

Building Permit Activity

Set forth hereafter is a five-year history of new building permit activity in Broomfield.

History of Building Permit Activity - Broomfield ¹

Year	Single Family		Multi-Family		Commercial/Industrial	
	Permits	Valuation	Permits	Valuation	Permits	Valuation
2011	187	\$ 60,385,364	42	\$ 5,197,176	6	\$23,969,155
2012	135	45,028,713	95	140,158,385	14	11,299,915
2013	292	108,631,946	92	54,162,294	12	8,442,849
2014	437	151,866,761	52	64,249,137	9	7,129,586
2015	379	133,810,726	82	37,863,821	13	58,225,347
2016 ¹	182	63,400,983	41	28,673,838	2	10,700,247

¹ Building permits issued through April 30, 2016.

Source: Broomfield City/County Building Division

Foreclosure Activity

Foreclosure actions are commenced when a default on a deed of trust has occurred, usually when buyers fail to make timely payments in accordance with a promissory note. Set forth below is a history of the number of foreclosure actions filed by Broomfield Public Trustee's Office.

History of Foreclosures

Year	Number of Foreclosures Filed	Percent Change
2011	207	--
2012	210	1.45%
2013	218	3.81
2014	59	(72.94)
2015	36	(38.98)
2016 ¹	16	--

¹ Foreclosures filed through June 17, 2016.

Sources: Broomfield County Public Trustee's Office

Retail Sales

The retail trade sector employs a large portion of Broomfield's work force and is important to the area's economy. The following table sets forth retail sales figures for the Broomfield, the DMSA and the State as reported by the State.

Retail Sales

Year	Broomfield	DMSA	State of Colorado
2010	\$1,704,067,504	\$ 85,467,052,982	\$143,670,319,384
2011	1,705,988,496	92,064,129,419	154,697,942,972
2012	1,980,365,577	99,993,376,618	164,387,648,458
2013	2,235,213,929	105,247,829,188	172,784,033,081
2014	2,380,739,009	109,478,865,005	182,374,956,947
2015 ¹	1,122,762,473	52,578,057,504	87,097,250,453

¹ Retail sales through June 30, 2015.

Source: State of Colorado, Department of Revenue, *Sales Tax Statistics, 2010-2015*

Employment

The following tables set forth recent employment statistics by industry for Broomfield and historical labor force estimates for Broomfield and the State.

Total Business Establishments and Employment—Broomfield

Industry ¹	Annual 2014		Annual 2015		Annual Change	
	Units	Average Employment	Units	Average Employment	Units	Average Employment
Agriculture, forestry, fishing and hunting ²	--	--	--	--	--	--
Mining	7	58	8	64	1	6
Utilities	0	0	0	0	0	0
Construction	149	1,385	157	1,344	8	(41)
Manufacturing	102	4,827	112	4,948	10	121
Wholesale trade	207	1,234	227	1,312	20	78
Retail trade	262	4,623	266	4,615	4	(8)
Transportation and warehousing	27	195	32	234	5	39
Information	48	3,567	56	3,929	8	362
Finance and insurance	140	972	151	1,645	11	673
Real estate and rental and leasing	106	475	114	511	8	36
Professional and technical services	576	5,905	640	5,472	64	(433)
Management of companies and enterprises	41	2,344	47	2,393	6	49
Administrative and waste services	145	1,349	153	1,422	8	73
Educational services	49	406	53	375	4	31
Healthcare and social assistance	158	1,744	173	1,996	15	252
Arts, entertainment, and recreation	35	386	38	379	3	(7)
Accommodation and food services	146	3,041	150	3,161	4	120
Other services, except public administration	159	624	177	700	18	76
Non-classifiable ²	5	4	--	--	--	--
Government ²	--	--	18	1,481	--	--
Total	<u>2,379</u>	<u>34,435</u>	<u>2,572</u>	<u>35,983</u>	<u>193</u>	<u>1,548</u>

¹ Information provided herein reflects only those employers who are subject to State unemployment insurance law.

² Information suppressed due to confidentiality as set forth in State law. Totals may not add because they include figures for all employment including suppressed information.

Source: Colorado Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW) Colorado

Labor Force Estimates

Year	Broomfield		State of Colorado	
	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed
2011	31,768	7.0%	2,736,079	8.4%
2012	32,297	6.6	2,759,437	7.9
2013	32,936	5.8	2,780,536	6.8
2014	34,343	4.2	2,815,200	5.0
2015	34,673	3.3	2,828,529	3.9
2016 ¹	35,514	3.1	2,879,450	3.5

¹Labor force averages estimated through April 30, 2016.

Source: State of Colorado, Division of Employment and Training

Selected major employers in Broomfield and the Denver metropolitan area are set forth in the following tables. No independent investigation has been made of, and there can be no representation as to, the stability or financial condition of the companies listed below, or the likelihood that such companies will maintain their status as major employers.

Selected Major Employers in Broomfield County¹

Firm	Product or Service	Estimated Number of Employees
Level 3 Communications	Network Services	2,500
Oracle Corporation	Computer System Services	1,980
Urban Lending Solutions	Real Estate Services	1,389
Hunter Douglas	Window Covering Manufacturer	868
Staples Advantage	Office Products	700
Vail Resorts, Inc.	Resort Management	678
Ball Corporation	Packaging Manufacturer and Aerospace Technologies	674
Sandoz, Inc.	Pharmaceuticals Manufacturer	601
Brocade Communications Systems, Inc.	Network Services	600
TransFirst Holdings	Credit Card Processing	600
Broomfield (City and County)	Government	600

¹ Most recent information available.

Source: Broomfield County 2014 CAFR

Selected Major Employers in the Denver Metropolitan Area ¹

Firm	Product or Service	Estimated Number of Employees
Federal Government	Federal Government	39,902
University of Colorado System	University and Health Care Services	31,760
State of Colorado	State Government	31,469
WalMart Stores Inc.	Retail Discount Variety and Grocery	25,120
Denver Public School District No. 1	Education	14,792
Century Health	Nonprofit Health System	13,232
City & County of Denver	City Government	11,682
Jefferson County School District No. R-1	Education	11,372
HCA-HealthOne LLC	Health Care	10,100
SCL Health	Health Care	8,428

¹ Most recent information available. As of December 2014.
 Source: *Denver Business Journal*, July 24-30, 2015

APPENDIX E

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning The Depository Trust Company (“DTC”) New York, NY and DTC’s book-entry-only system has been obtained from DTC, and the District and the Underwriter take no responsibility for the accuracy thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Bonds, as set forth on the cover page hereof, in the aggregate principal amount of each maturity of the Bonds and deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation & Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book entry-system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Bonds; DTC’s records reflect only the identity

of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to Tender or Remarketing Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to Tender or Remarketing Agent. The requirement for physical delivery of the Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit for tendered Bonds to Tender or Remarketing Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in

the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2 In the City and County of Broomfield, Colorado

\$11,045,000
General Obligation Bonds
(Limited Tax Convertible to Unlimited Tax)
Series 2016A

\$1,555,000
Subordinate General Obligation
Limited Tax Bonds
Series 2016B

THIS CONTINUING DISCLOSURE AGREEMENT (this “Agreement”) is entered into as of July 26, 2016, by and between **GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**, in the City and County of Broomfield, Colorado, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”), and **UMB BANK, N.A.**, having corporate trust offices in Denver, Colorado, as trustee (the “Trustee”), under the Indentures (defined below) relating to the above captioned bonds (collectively, the “Bonds”).

Section 1. Purpose. This Agreement is being executed and delivered by the parties hereto for the benefit of the holders of the Bonds and in consideration for the purchase by D.A. Davidson & Co., Denver, Colorado (the “Underwriter”) of the Bonds pursuant to the terms of a Bond Purchase Agreement between the Underwriter and the District dated as of July 19, 2016.

Section 2. Definitions. Capitalized terms used and not otherwise defined in this Agreement shall have the respective meanings set forth in the Indentures (defined below) and the Limited Offering Memorandum (defined below). The capitalized terms set forth below shall have the following respective meanings for purposes of this Agreement:

“*Audited Financial Statements*” means the District’s most recent annual financial statements, prepared in accordance with generally accepted accounting principles (“GAAP”) for governmental units as prescribed by the Governmental Accounting Standards Board (“GASB”), which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State of Colorado.

“*Beneficial Owner*” means any person for which a Participant acquires an interest in the Bonds.

“*Indentures*” means, collectively, the Senior Indenture and the Subordinate Indenture.

“*Limited Offering Memorandum*” means the Limited Offering Memorandum prepared in connection with the offer and sale of the Bonds dated June 30, 2016.

“*MSRB*” means the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at <http://emma.msrb.org>.

“*Participant*” means any broker-dealer, bank, or other financial institution from time to time for which DTC (as defined in the Indenture) or another Depository (as defined in the Indentures) holds the Bonds.

“*Report*” means any report provided by the District pursuant to, and as described in, this Agreement.

“*Series 2016A Senior Bonds*” means the District’s General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2016A, in the aggregate principal amount of \$11,045,000, issued pursuant to the Senior Indenture.

“*Series 2016B Subordinate Bonds*” means the District’s Subordinate General Obligation Limited Tax Bonds, Series 2016B in the maximum principal amount of \$1,555,000, issued pursuant to the Subordinate Indenture.

“*Senior Indenture*” means that certain Indenture of Trust between the District and UMB Bank, n.a., in its role as trustee thereunder, dated as of the date of issuance of the Series 2016A Senior Bonds, pursuant to which the Series 2016A Senior Bonds are issued, including any supplements or amendments thereto adopted in accordance therewith.

“*Subordinate Indenture*” means that certain Indenture of Trust between the District and UMB Bank, n.a., in its role as trustee thereunder, dated as of the date of issuance of the Series 2016B Subordinate Bonds, pursuant to which the Series 2016B Subordinate Bonds are issued, including any supplements or amendments thereto adopted in accordance therewith.

Section 3. Requirement for Quarterly or Annual Reports.

(a) ***Provision of Information to Trustee.*** The District hereby undertakes and agrees to provide certain information specified below to the Trustee on the dates specified below.

(i) ***Timing of Reports.***

(A) ***Quarterly Reports.*** The District shall provide a current Report to the Trustee not later than 45 days after each January 1, April 1, July 1 and October 1, commencing October 1, 2016, and such Reports are referred to herein as the “Quarterly Reports” (i.e., Quarterly Reports are due no later than February 15, May 15, August 15 and November 15 of each year, commencing November 15, 2016).

(B) ***Annual Reports.*** The District shall provide a current Report to the Trustee not less than 225 days after each January 1, and such Reports are referred to herein as the “Annual Reports” (i.e., Annual Reports are due no later than August 15 of each year, commencing August 15, 2017).

(ii) ***Contents of Reports.***

(A) ***Quarterly Reports.*** For each Quarterly Report, the District shall complete Sections 2, 3 and 4 of each Report (although Section 4 must be completed only on an annual basis and shall be completed with the Quarterly Report due for quarter ending each July 1), and the District

shall use reasonable efforts to complete Section 1 of each Quarterly Report. To the extent the specific data required under Section 1 of each Quarterly Report is not available from public resources, the District shall use reasonable efforts to provide data similar in nature* to the specific data so requested, to the extent publicly available.

(B) *Annual Reports.* For each Annual Report, the District shall complete Sections 2, 3 and 4 of each Report and the District shall use reasonable efforts to complete Section 1 of each Annual Report. To the extent the specific data required under Section 1 of each Annual Report is not available from public resources, the District shall use reasonable efforts to provide data similar in nature* to the specific data so requested, to the extent publicly available.

(C) The Trustee will provide the information required by Section 2 of each Report to the District not later than 10 days prior to the due date of such Report. Any or all of the items required to be updated in Appendix A may be incorporated by reference from other documents, including official statements of debt issues which are available to the public on the MSRB's Internet Web Site or filed with the SEC. The District shall clearly identify each such document incorporated by reference.

(b) ***Provision of Reports to the MSRB.*** Within 10 days after receipt of each Report from the District, the Trustee shall provide to the MSRB (in an electronic format as prescribed by the MSRB) such Report. Each Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as described in Section 3(a)(ii)(C) above.

If the District fails to provide to the Trustee a Report by the date required pursuant to Section 3(a)(i) above, and such failure results in the Trustee's inability to provide a Report to the MSRB by the date required, the Trustee shall file or cause to be filed with the MSRB a notice in substantially the form attached as Appendix B hereto. If the Trustee files or causes to be filed with the MSRB a notice in substantially the form attached as Appendix B hereto, the Trustee shall submit a copy of such filing to the District, as follows:

* For example, if building permit data is not available, construction starts would be similar information; if certificates of occupancy are not available, closings would be similar information.

to the District: Great Western Park Metropolitan District No. 2
c/o McGeady Becher, P.C.
450 East 17th Avenue, Suite 400
Denver, Colorado 80203
Attention: Megan Becher, Esq.
Email: mbecher@specialdistrictlaw.com
Telephone: 303.592.4380

With a copy to: Great Western Park Metropolitan District No. 2
c/o Special District Management Services
141 Union Boulevard, Suite 150
Lakewood, Colorado 80228
Attention: AJ Beckman, District Manager
Email: abeckman@sdmsi.com
Telephone: 303.987.0835

In addition to the foregoing, the Trustee shall, prior to the date of each filing of a Report, determine the appropriate electronic format prescribed by the MSRB. After the Trustee files a Report or the notice described in the preceding paragraph with the MSRB, the Trustee shall upon request send a report to the District stating the date that such Report or notice was filed and listing all the entities to which it was provided.

(c) ***Means of Transmitting Information.*** Subject to technical and economic feasibility, the District shall employ such methods of information transmission as the Trustee shall reasonably request. All documents provided to the MSRB pursuant to this Agreement shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Agreement, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable; provided that diagrams, images and other non-textual elements are not required to be word-searchable.

Section 4. Notice of Material Events. Whenever the District obtains actual knowledge of the occurrence of any of the following events, the District shall cause the Trustee to provide, in a timely manner, a notice of such event to the MSRB:

(a) the failure or refusal by the District to impose or collect the Senior Required Mill Levy or the Subordinate Required Mill Levy, or to collect and apply the other components of the Senior Pledged Revenue or the Subordinate Pledged Revenue as required by the Indentures;

(b) any other Event of Default occurs under either Indenture, including a description of such default;

(c) a non-payment related default under either Indenture (if the District deems such default to be material to the Owners), including a description of such default;

- (d) a draw on the Senior Surplus Fund;
- (e) a draw on the Senior Reserve Fund;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of Bond owners, if material;
- (h) Bond calls and tender offers; and
- (i) Defeasances.

Whenever the Trustee obtains actual knowledge of the occurrence of any of the aforementioned events, the Trustee shall promptly notify the District of such event. For purposes of this paragraph, “actual knowledge” of the Trustee means actual knowledge by an officer of the Trustee having responsibility for matters regarding the Indentures or the Bonds.

Section 5. Termination. The obligations of the District and the Trustee as to the provision of Reports hereunder shall terminate at such time as none of the Bonds are Outstanding under each of the Indentures, respectively.

Section 6. Liability for Content of Information Provided. So long as the parties to this Agreement act in good faith, such entities shall not be liable for any errors, omissions or misstatements in the information provided pursuant to this Agreement. Without limiting the foregoing, the District makes no representation as to the accuracy of any information provided to it by third parties with respect to information in Section 1 of each Report.

Section 7. Amendment. Notwithstanding any other provision of this Agreement, this Agreement may only be amended with the consent of the majority of the Owners of the Bonds then Outstanding.

Section 8. Failure To Perform. Any failure by the District to perform in accordance with this Agreement shall not constitute an Event of Default under either Indenture, and the rights and remedies provided by the Indentures upon the occurrence of an Event of Default shall not apply to any such failure. If the District fails to comply with this Agreement, any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations hereunder.

Section 9. Severability. If any section, paragraph, clause, or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Agreement, the intent being that the same are severable.

Section 10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

Section 11. Compensation. As compensation for its services under this Agreement, the Trustee shall be compensated or reimbursed by the District for its reasonable fees and expenses in performing the services specified under this Agreement.

Section 12. Beneficiaries. This Agreement shall inure solely to the benefit of the District, the Trustee, the Underwriter, and the Beneficial Owners from time to time of the Bonds, shall create no rights in any other person or entity.

Section 13. Trustee. The Trustee shall have only such duties as are specifically set forth in this Agreement, and the District agrees, to the extent permitted by law, to indemnify and save the Trustee, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performances of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim or liability, but excluding liabilities due to the Trustee's gross negligence or willful misconduct. The Trustee may resign as dissemination agent hereunder at any time upon 30 days prior written notice to the District. The Trustee shall not be responsible in any manner for the content of any notice or Report prepared by the District pursuant to this Agreement. The obligations of the District under this Section shall survive resignation or removal of the Trustee and payment of the Bonds.

Section 14. Electronic Transactions. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 15. Assignment. The covenants and conditions herein contained apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have caused this Continuing Disclosure Agreement to be executed in their respective names, all as of the date first above written.

GREAT WESTERN PARK METROPOLITAN
DISTRICT NO. 2, BROOMFIELD,
COLORADO

By _____
Authorized Representative

UMB BANK, N.A., as Trustee

By _____
Authorized Officer

[Signature Page to Continuing Disclosure Agreement]

APPENDIX A

FORM OF REPORT

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2
In the City and County of Broomfield, Colorado

\$11,045,000
General Obligation Bonds
(Limited Tax Convertible to Unlimited Tax)
Series 2016A

\$1,555,000
Subordinate General Obligation
Limited Tax Bonds
Series 2016B

Date of Report: _____

All capitalized terms used and not otherwise defined in this report shall have the respective meanings assigned in the Continuing Disclosure Agreement (“Agreement”) entered into as of July 26, 2016, by and between Great Western Park Metropolitan District No. 2, in the City and County of Broomfield, Colorado (the “District”) and UMB Bank, n.a., Denver, Colorado, as trustee (“Trustee”) for the above captioned bonds (the “Bonds”). Unless otherwise stated, all information contained herein is the most current information available as of the Date of Report specified above.

Section 1. Development Activity. *[To be updated each quarter. District to use reasonable efforts to complete this Section 1 to the extent of information available from public resources. If specific data is not available, the District is to use reasonable efforts to provide data similar in nature, to the extent publicly available. For example, if building permit data is not available, construction starts would be similar information; if certificates of occupancy are not available, closings would be similar information.]*

(a) **Building Permits.** State the number of building permits which have been issued by Broomfield County for property within the District for the following periods: (i) since the date of issuance of the Bonds, and (ii) since the date of the last Quarterly Report.

(b) **Certificates of Occupancy.** Provide the number of certificates of occupancy which have been issued by Broomfield County for property within the District for the following periods: (i) since the date of issuance of the Bonds, and (ii) since the date of the last Quarterly Report.

Section 2. Fund Balances. *[District to complete, based upon information received from the Trustee; to be updated each quarter.]*

The amount on deposit in each of the following funds for the 2016A Senior Bonds is as set forth below:

- (a) amount on deposit in the Senior Project Fund is \$_____;
- (b) amount on deposit in the Senior Bond Fund is \$_____;
- (c) amount on deposit in the Senior Surplus Fund is \$_____; and

(d) amount on deposit in the Senior Reserve Fund is \$_____.

The amount on deposit in each of the following funds for the 2016B Subordinate Bonds is as set forth below:

(a) amount on deposit in the Subordinate Project Fund is \$_____; and

(b) amount on deposit in the Subordinate Bond Fund is \$_____;

Section 3. Authorized Denominations. [*District to complete; to be updated each quarter.*]

The 2016A Senior Bonds are presently outstanding in Authorized Denominations of:

(a) ___ \$500,000 and any integral multiple of \$1,000 in excess thereof; or

(b) ___ Pursuant to paragraph (c) of the definition of Authorized Denomination in the 2016A Senior Indenture, the Authorized Denominations were reduced to \$1,000 or any integral multiple thereof on _____ [insert date].

Section 4. Additional District Information To Be Updated. [*District to complete; to be provided annually with the Report due on or before August 15.*]

(a) The District shall update the following tables included in the Limited Offering Memorandum:

(i) History of Assessed Valuation, Mill Levies and Property Tax Collections for the District;

(ii) Property Tax Collections in the District;

(iii) Largest Taxpayers Within the District; and

(iv) Assessed and “Actual” Valuation of Classes of Property in the District.

(b) The following information shall be attached to the Report:

(i) ___ Audited Annual Financial Statements of the District for the previous year (20___); and

(ii) ___ Annual budget of the District for the current years (20___).

The information contained in this Report has been obtained from sources that are deemed to be reliable, but is not guaranteed as to accuracy or completeness. The information contained in this Report is neither intended nor shall be construed as a document updating the Limited Offering Memorandum for the Bonds, and is neither intended to, nor shall it be, used by the owners or beneficial owners of the Bonds for the purpose of making a subsequent investment decision with respect to the Bonds.

Receipt of this Report by any person or entity shall create no obligation or liability of the District or the Trustee.

The undersigned hereby certify, respectively, that they are authorized representatives of the District and the Trustee, and further certify on behalf of the following entities that the information contained in the foregoing Report (with respect to the District, Sections 1, 3 and 4 only and with respect to the Trustee, Section 2 only) is, to their actual knowledge, true, accurate and complete. This Report may be executed below on counterpart signature pages.

GREAT WESTERN PARK METROPOLITAN
DISTRICT NO. 2, BROOMFIELD,
COLORADO

By _____
Authorized Representative

UMB BANK, N.A., as Trustee

By _____
Authorized Officer

APPENDIX B

(NOTICE OF FAILURE TO FILE REPORT

Name of Issuer: Great Western Park Metropolitan District No. 2, in the City and County of Broomfield, Colorado.

Name of Bond Issue(s): Great Western Park Metropolitan District No. 2 General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2016A, in the original aggregate principal amount of \$11,045,000 (the "2016A Bonds").

Great Western Park Metropolitan District No. 2 Subordinate Limited Tax General Obligation Bonds, Series 2016B, in the original aggregate principal amount of \$1,555,000 (the "2016B Bonds" and together with the 2016A Bonds, the "Bonds").

CUSIP: _____.

Date of Issuance: July 26, 2016.

NOTICE IS HEREBY GIVEN that the District has not provided a Report with respect to the above described (check as appropriate) [2016A Bonds] [2016B Bonds] or [Bonds] as required by the Continuing Disclosure Agreement dated July ____, 2016, between the District and the Trustee.

The District anticipates that the Report will be filed by _____. [insert date]

Dated: _____, 20____

UMB BANK, N.A., as Trustee

By _____
Authorized Officer

APPENDIX G

FORM OF BOND COUNSEL OPINION FOR SERIES 2016A SENIOR BONDS

July 26, 2016

Great Western Park Metropolitan District No. 2
450 East 17th Avenue, #400
Denver, Colorado 80203

\$11,045,000

**Great Western Park Metropolitan District No. 2
City and County of Broomfield, Colorado
General Obligation (Limited Tax Convertible To Unlimited Tax) Bonds, Series 2016A**

Ladies and Gentlemen:

We have acted as bond counsel to Great Western Park Metropolitan District No. 2, City and County of Broomfield, Colorado (the "District"), in connection with its issuance of \$11,045,000 General Obligation (Limited Tax Convertible To Unlimited Tax) Bonds, Series 2016A (the "Bonds"). In such capacity, we have examined the District's certified proceedings and such other documents and such law of the State of Colorado and of the United States of America as we have deemed necessary to render this opinion letter.

The Bonds are issued and secured pursuant to an authorizing resolution of the Board of Directors of the District adopted on July 13, 2016 (the "Bond Resolution"), and pursuant to that certain Indenture of Trust dated as of July 26, 2016 (the "Indenture"), between the District and UMB Bank, n.a., as trustee (the "Trustee"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them by the Indenture.

Regarding questions of fact material to our opinions, we have relied upon the District's certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds are valid and binding limited tax (convertible to unlimited tax) general obligations of the District, payable solely from the Pledged Revenue and from funds and accounts pledged therefor under the Indenture.
2. All of the taxable property of the District is subject to the levy of an ad valorem tax, in the amount of the Required Mill Levy, for the purpose of paying the Bonds.
3. Assuming due authorization, execution, and delivery by the Trustee, the Indenture constitutes a valid and binding obligation of the District.

4. The Indenture creates a valid lien on the Pledged Revenue and on the funds and accounts pledged therein for the security of the Bonds, subject to the provisions, conditions, and limitations contained in the Indenture. We express no opinion regarding the priority of the lien on the Pledged Revenue or on the funds and accounts created by the Indenture.

5. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the adjusted current earnings adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect as of the date hereof. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the District's certified proceedings and in certain other documents and certain other certifications furnished to us.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the District incurred pursuant to the Bonds, the Bond Resolution, and the Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

In this opinion letter issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy, or completeness of the Limited Offering Memorandum relating to the Bonds or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

APPENDIX H

FORM OF BOND COUNSEL OPINION FOR SERIES 2016B SUBORDINATE BONDS

July 26, 2016

Great Western Park Metropolitan District No. 2
450 E. 17th Avenue, Suite 400
Denver, Colorado 80203

\$1,555,000
Great Western Park Metropolitan District No. 2
City and County of Broomfield, Colorado
Subordinate General Obligation Limited Tax Bonds, Series 2016B

Ladies and Gentlemen:

We have acted as bond counsel to Great Western Park Metropolitan District No. 2, City and County of Broomfield, Colorado (the "District"), in connection with its issuance of \$1,555,000 Subordinate General Obligation Limited Tax Bonds, Series 2016B (the "Bonds"). In such capacity, we have examined the District's certified proceedings and such other documents and such law of the State of Colorado and of the United States of America as we have deemed necessary to render this opinion letter.

The Bonds are issued and secured pursuant to an authorizing resolution of the Board of Directors of the District adopted on July 13, 2016 (the "Bond Resolution"), and pursuant to that certain Indenture of Trust dated as of July 26, 2016 (the "Indenture"), between the District and UMB Bank, n.a., as trustee (the "Trustee"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them by the Indenture.

Regarding questions of fact material to our opinions, we have relied upon the District's certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

6. The Bonds are valid and binding limited tax general obligations of the District, payable solely from the Subordinate Pledged Revenue and from funds and accounts pledged therefor under the Indenture.

7. All of the taxable property of the District is subject to the levy of an ad valorem tax, in the amount of the Subordinate Required Mill Levy, for the purpose of paying the Bonds.

8. Assuming due authorization, execution, and delivery by the Trustee, the Indenture constitutes a valid and binding obligation of the District.

9. The Indenture creates a valid lien on the Subordinate Pledged Revenue and on the funds and accounts pledged therein for the security of the Bonds, subject to the provisions, conditions, and limitations contained in the Indenture. We express no opinion regarding the priority of the lien on the Subordinate Pledged Revenue or on the funds and accounts created by the Indenture.

10. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the adjusted current earnings adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect as of the date hereof. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the District's certified proceedings and in certain other documents and certain other certifications furnished to us.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the District incurred pursuant to the Bonds, the Bond Resolution, and the Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

In this opinion letter issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy, or completeness of the Limited Offering Memorandum relating to the Bonds or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.